ADVANCED

MANAGEMENT

NOVEMBER 1957
VOLUME 22 NO. 11

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Management Incorporated
B. F. Coggan

Science, Technology and Society
Dr. Lawrence R. Halstad

Earned Freedom For Management
H. Ellsworth Steele

Improving Communication Policy
William Exton, Jr.

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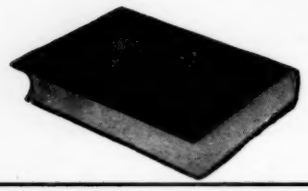

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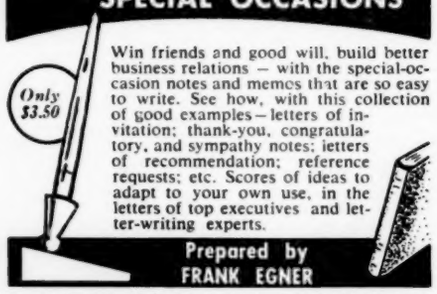

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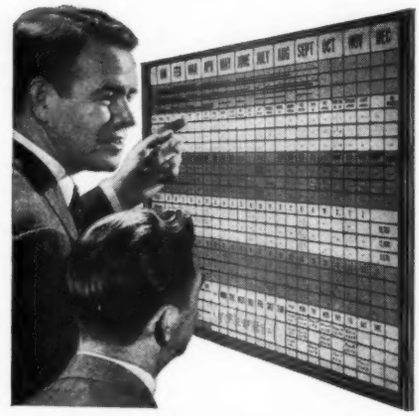

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S.A.M. Constitution

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ADVANCED MANAGEMENT, published monthly by the Society for the Advancement of Management, Inc., 74 Fifth Avenue, New York 11, N. Y., is successor to The Society for the Advancement of Management Journal, the Bulletin of the Taylor Society and of The Society of Industrial Engineers. Reentered as second-class matter, December 23, 1949, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Copyright, 1957, Society for Advancement of Management. Permission must be obtained for reprinting, digesting, or quotation. Subscription rates: $8.00 per year. Single copies: 75 cents (members); $1.00 (non-members). All members receive this publication, for which $4.00 of their dues is allocated. Reprints of articles readily available in quantity, price schedule on request. An index to ADVANCED MANAGEMENT is published annually, and the contents are also indexed in Industrial Arts Index, available at Public Libraries. Notification of address changes must be given four weeks in advance.

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How Do You Train A Person?

THE other day I was asked a $64,000 question — "How do you train a person?" The question had reference to training in the managerial skill of getting things done effectively through others, as distinct from training in manipulative skills, or the type of training which involves the memorizing of information.

This is the kind of question which calls for a certain amount of reflection. First of all, it seems to me that training or learning is a process involving *change*, which must take place within the trainee. In other words, we can't actually train a person, we can only help him learn. Whether or not the individual actually becomes trained is up to him in the last analysis. Training in that part of the manager's job which has to do with his effectiveness in dealing with others, involves a change in the attitude of the trainee toward his job as a manager. This is a rather complex psychological process.

To be more specific, I believe that training in human relations skills can be successful when objectives are clearly defined and understood by all concerned, and when standards of acceptable performance are established and lived up to by higher management which must set the example. Next, it seems to me that the trainee's performance must be regularly and continually appraised from a helpful, constructive point of view in order that he and others concerned may know whether progress is being made. Perhaps a system involving a substantial amount of self-appraisal would be the most fruitful. Since it is a change in attitude toward the managerial function that we are trying to bring about, on-the-job practice in the use of the new skills should be the most important part of the training experience.

As to the exact training technique to be employed in this type of human relations training, one thing is evident — the trainee, in order to make progress, must be able to sense the effect which his actions and what he says are having upon others. In other words, is his attitude toward his job as a manager motivating his associates positively, or is it having the opposite effect? Only through this knowledge can he appraise the effect which he is having upon others and sense the need for *change* in order to get progressively better results. It is recognition of the need to change, or recognition that improvement in performance is desirable, which is step "number one" in the training process. This recognition, of course, must take place within the trainee.

H. E. Lunken

S.A.M. National President

Management Incorporated

by B. F. Coggan
Vice President and San Diego
Manager of Convair
Division of General Dynamics Corporation

OUR NATIONAL economy has been a succession of bench marks, and now we're starting up a new expansion slope with a powerful thrust provided by the atom, electronics and automation.

In 1945, the gross national product total was $213 billion dollars. Today it exceeds a rate of $425 billion dollars, double the rate of only a dozen years ago.

Steel producers will increase their capacity by 50 per cent by 1970. Aluminum producers will more than double their facilities in the next 15 years. Auto and aircraft firms will spend billions for new plants. The steel industry alone has a goal of $18 billion dollars in the next 15 years.

On the family side of the picture, more than 4 million babies were born in the United States last year. It is also a fact that between now and 1975 the number of young people reaching the marriageable age will increase. Since romance is reliably constant, this means an appreciable increase in the rate of family formation and the number of births to be expected each year.

About eight years from now, when tomorrow's college graduates are well established in their careers, the birth figure should take another mighty leap upward as the children born in the years since 1942 reach maturity. Baby sitters never have faced a bigger era of inflation.

These facts point clearly to tasks of great magnitude for tomorrow's management people.

American business and industry face a shortage of high-calibre management talent. Good supervisors cannot be developed by assembly-line methods at a rate equal to the ever increasing demand.

Few labor markets are tighter than for management men and women in this era of plentiful employment. Economic facts indicate that American management must provide in increased proficiency what it lacks in total numbers to meet tomorrow's challenges. Our nation's economic picture calls for cooperation among our ranks to a degree never before attained.

The value of good industrial management, as expressed years ago by Andrew Carnegie, is just as true today, for Carnegie said:

"Take away our factories, take away our trade, our avenues of transportation and our money. Leave us nothing but our organization and in four years we shall have re-established ourselves." In this regard, I have observed that modern industry has become humanistic, or perhaps I should say it has returned to humanism. When modern industry began to emerge from the handicraft age, men endowed with initiative and business acumen began to hire fellow townsmen to make products which would belong to the man doing the hiring rather than to the maker.

In this small factory, the owner was the operator. He hired and fired. He told his men what to do and showed them how to do it. He fixed hours and wages. He listened to complaints. He knew each worker personally. He knew where and how his workers lived, something about their families and the influences in their homes. He knew what kept them from work, what affected their capacities and attitudes.

In turn, the workers knew the man they worked for and understood him. Management and its motives were no

B. F. COGGAN joined General Motors in 1939 as a general supervisor in charge of electrical welding and press equipment. In 1943 he was appointed Chief Development engineer of the G.M. B-29 bomber program, and from that time up until 1952, when he left General Motors to join Convair, Mr. Coggan's progress was steadily upward in the G.M. organization. Early in 1952 he became Assistant to the Vice President and General Manager of Convair, and later that same year he was appointed Division Manager of the San Diego Division. In 1957 he was appointed a Vice President of Convair by the General Dynamics Corporation Board of Directors.

farther away than the head tool bench or the desk in the corner of the shop.

And along the way, the all-seeing, all-knowing and all-doing owner-manager became split into many persons. Part of him has become management as we know it today.

To remain close to the workers, to achieve an influence on their attitudes and effectiveness, the original component parts of management must be re-integrated. They must function with the same coordination as did the head, hands and heart of the successful manager of the early factory. In short, they must have teamwork and consistency in dealing with many employees at varied levels. Management must be warmly human and understanding. The bigger the business or industrial undertaking, the tougher the job it is to achieve this objective, and to meet the human goals involved. It should be stated here that reaching the human goals of our people is just as important in the long run as our production goals. These human goals include the development of a feeling of security in each employee, seeing to it that he receives recognition for his work, building a feeling of belonging, and meeting the basic drive in all humans for new experience.

HUMAN goals must be viewed on a long-term basis, because management is fundamentally long-term in its approach. Planning and action must be based on management's responsibility to operate the business so that it will have an indefinite life, much longer than the lives of any of the key men now active in the organization.

Well selected and well trained supervisors are mandatory for such a successful undertaking. The first requirement of a good supervisor is that he have an inborn or a built-in desire to want to manage. I have seen situations in my experience where supervisors have been named who fundamentally do not want to become managers. They like the additional salary and the increased status which comes to them, but they object to the accompanying responsibility and the problems which face supervisors in handling people. A training program can often help a potential supervisor to develop proper attitudes toward a career in management.

One of the simple truths is that the more you know about a good person, the more you like him. This is also true in any organization. The more employees learn about good management and good company policies, the more friendly they feel toward their fellow workers and their company. This objective of letting employees know what is going on is essentially a supervisory function. It can be accomplished in many ways well known to you. The important thing for management to remember is that there is no such thing as too much appropriate communication within an organization. Usually there is only a fraction of an adequate amount of communication to make an organization truly efficient.

At Convair-San Diego we hold regular monthly meetings without fail for all of our supervision. We have so many supervisors in various echelons—over 2000—that we must call them together in two groups on successive days.

My ten top management men of the division—a master group representing the ten key functions in the division—face these supervisors informally on both days. The supervisors are informed honestly and candidly of the status of our division's operation to that day. Schedule problems, bottlenecks in production, trends in costs, quality, safety, and all such factors are laid openly on the line. Questions written and dropped anonymously into a special question box by the supervisor are answered openly by the master group members. The questions may cover anything from: "Why can't I be transferred to a given department?" to: "How is the new interceptor program going?" All questions are answered. If there's a slip-up, we hear about it in a hurry, sometimes from the floor.

I am sure that not one leaves those meetings without feeling he has had a personal session with the top men in the management group. Good communications such as this add to good relations throughout an organization. Facts, not rumors, get around fast to everyone. Everybody knows what's going on, since the foremen tell the people under them the news from the management meetings. Each person develops a "feeling of belonging." It helps link every employee, from the executive level to the production worker, into a strong chain.

It is important also to create an atmosphere of *learning* in the organization that will stand as a constant reminder to all members of supervision that they are in a growing situation which requires increased knowledge on their part.

Supervisory training can reach its maximum effectiveness only where it is put on a formal organized footing and every manager is made to understand that the development of his immediate subordinates is an important, if not the most important, part of his job. Rather than a haphazard chore, it must become a systematized daily function. And instead of analyzing the strengths and weaknesses of subordinates only when promotions are imminent or difficulties arise, this assessment becomes a continuous activity. It is important that subordinates be periodically apprised of the results of the evaluation and given suggestions as to how they might be able to eliminate the undesirable and further enhance the desirable.

ONE very important principle every management man should remember is that he has the responsibility of training a competent subordinate to take his place, a replacement who is at least as qualified or better prepared to handle the job than he is. If you're honest with yourself and sincere in your objectives, this replacement should be more competent than you because he should, over a period of time, acquire important elements of your own knowledge and method of operating plus a stockroom of experience and background of his own. This process generates power which thrusts organizations ahead.

I have seen many instances where an executive failed to practice this elementary principle. Efficiency often deteriorates when this type of man suddenly drops out of the picture—for a day, a vacation, a period of illness, or for eternity. This type of a manager doesn't often leave the department because of a promotion, since there's no one to replace him.

In my opinion, the most inept executive is one who, because of fear, jealousy, or other personal reasons, suppresses subordinates to a point where they are not qualified on a moment's notice to step into his shoes. There is no better way of making management incorporated than through this procedure of training subordinates. It builds strength in every direction, character in you and efficiency to a degree not attainable under any other system.

I strongly recommend the two-or-three-deep type of management. If developed on a broad base in this country, the reserve of management talent would enable us to meet any emergency.

Management also has a collective re-

sponsibility in developing good community relations, the degree of which can strongly influence the success of an organization.

We must extend our interests to our community neighbors and obtain their understanding and approval of our activities. If non-employee residents are unhappy and critical toward a firm, their resentment is easily and quickly passed on to employees with considerable exaggeration en route. Favorable relations must be earned. They are not bestowed. They cannot be purchased by just dollars. Community activity by members of the management team is the secret to good community relations. It's the best process I know of changing strangers into friends.

Let me give you an example of our own experience in San Diego. My executive staff consists of 10 men. For the past four years we've tried to earn the respect and friendship of the communities in which we operate. In the process, most of us have become loaded with community responsibilities. And we love it. At the same time our business has prospered, and the spirit of belonging to the community has spread throughout our organization.

If I were engaged in writing a chapter on community relations for management, I would stress the principle of devotion to community causes. The rewards are rich in the feeling of extending help to your fellow citizens, in getting acquainted with the finest types of men and women, and, of course, in building a reputation for the firm you represent. During some 18 years in executive positions in the automotive and aviation industries, I've witnessed spectacular growth in management people who believe and practice this philosophy. Participation in community activities on the part of management people is one of the best means of reaching our goal of "management incorporated."

From a creative angle, management men and women should keep a fresh viewpoint and probing mind in order to develop better processes and techniques, both with metal and people. Improvement requires change, and we're constantly looking for better ways to do things. A human failing is that people resist change. Within government, within a large industrial firm, it is sometimes difficult to achieve what we consider a vast improvement over old methods. If a new plan is adopted, we may meet with resistance from those who must put it into effect. Perhaps a department head sees nothing to be gained by using a brand new machine brought to him. Here again, you have a problem in human relations. I do not say that all changes bring improvements, but I do say that all improvements call for changes and have done so since the world began.

As we enter the age of automation along with that of the split atom, we shall see more and more drastic changes within industry.

Automation and nuclear energy will bring fresh challenges to all business and industry. Already there are rumblings in some corners among our people that automation will result in fewer jobs. The claims are unreasonable. Tomorrow's electronic and nuclear economy will require vast numbers of new jobs, particularly in technical fields. One of our major responsibilities as managers is to prepare to handle the new challenges by acquiring knowledge and encouraging training among all who work with us.

The atomic age is only in its infancy. As technology grows brighter in human affairs, the nation must look not only to its scientific resources, but to its management resources as the prime movers in developing a richer and fuller life for its people.

In the long run, the real competitive advantage one company or nation can hold over another is in its management group. This philosophy puts management men and women squarely in the spotlight. The share owners and the nation look to management for leadership and high performance. Jobs become increasingly more complex. Technological progress has been most helpful to our economy, but each step forward in this atomic and electronics age has added another requirement in the knowledge needed in every management position.

As mentioned earlier, the component parts of management must be re-integrated to function with the same coordination as did the head, hands and heart of the successful manager of the early factory. In short, we must have teamwork and consistency in dealing with many employees at varied levels.

We must develop our abilities to adapt our thinking to changing conditions—to be flexible rather than rigid. For as a firm grows in many ways, management itself must grow also, not just by growing more specialized or diversified or bigger, but by growing better. If management is to fulfill its responsibilities satisfactorily, it must continue to grow progressively better.

The traditional definition of a supervisor is one who can hire and fire. Under today's philosophy, we should think of ourselves as managers who not only can hire and fire, but more importantly, who can inspire. The human mind has a potential far beyond its normal use in creativeness, memory and logic. But it often needs the inspiration of another to set in motion the intricate processes which lead to greater achievements. A successful manager is one who understands the causes and effects of both positive and negative emotions. Possessed of this talent, he can inspire others toward higher goals. He can enrich the lives of those he directs by helping to activate latent areas of thinking which need stimuli.

Remember, above all else, that the most *important ingredient* in any business is the *human ingredient*. As we nourish and foster this, so will our business grow and prosper. ■

Samuel L. H. Burke New S.A.M. Officer

NEWEST S.A.M. National Officer is **Samuel L. H. Burk**, formerly Director of Industrial Relations for the National Association of Manufacturers and now Principal Member of Rogers, Slade & Hill, New York.

Mr. Burk is an Industrial Management specialist who was engaged for several years in Industrial Engineering work on the staff of H. A. Hopf & Company, New York. He has been Director of Organization and Methods for the Atlantic Refining Company of Philadelphia, Director of Industrial Relations with the Pittsburgh Plate Glass Company, and Director of Personnel Administration for General Foods Corporation, White Plains, New York.

A long time member of the S.A.M., Mr. Burk has held presidential and vice-presidential posts in the Industrial Relations Association of Philadelphia, American Management Association and the Pittsburgh Personnel Association.

Science, Technology And Society

by Dr. Lawrence R. Hafstad

Vice President in charge of
Research Staff
General Motors Corporation

"WHEN one reads the history of science one has the exhilarating feeling of climbing a big mountain. The history of art gives one an altogether different impression. It is not at all like the ascension of a mountain, always upward whichever the direction of one's path; it is rather like a leisurely journey across hilly country. One climbs up to the top of this hill or that, then down into another valley, perhaps a deeper one than any other, then up the next hill, and so forth and so on. An erratic succession of climaxes and anticlimaxes the amplitude of which cannot be predicted."[1]

Many readers will recognize the above as a quotation from George Sarton, the eminent historian, and will concur in the idea that in working in science one has indeed the "exhilarating feeling of climbing a mountain." As working scientists, and fully recognizing that we may be naive, we still cling stubbornly to the faith that we are somehow contributing to human comfort and human happiness, and that however stumbling our progress, this progress is upward.

The great acceleration of both science and technology on a world-wide scale since the war seems to confirm this impression. So does the great increase in suggestions in books, and in articles in journals and periodicals, to the effect that we are on the threshold of a second industrial revolution. Many predictions are extant as to the high standard of living which will be obtainable in a matter of a few decades. The problem of the shortage of raw materials has been emphasized by various writers, but technological ingenuity in the development of substitutes is such that so far as *material* prosperity is concerned the possibilities do indeed seem limitless.

Much has been written in recent months about the shortage of scientists and engineers. This seems to be a world-wide problem and, as might be expected, is most acute where the development of technology is the most intense. It would seem to be axiomatic that the brave new world of plenty so earnestly desired cannot be attained without an adequate supply of scientists and engineers. To me, and I am sure to many of you, it seems somewhat surprising that so much campaigning and propaganda should be necessary to correct a shortage so obvious. In this area, however disappointing and annoying delays may have been, forces are now beginning to act in the direction to correct the dislocation. This at least is reassuring.

Following not more than a decade or two behind the Russians, in this country and in fact in the Free World at large, we are now belatedly beginning to use a very potent force—the incentive system—to correct the shortage. Once the forces acting can be identified, we can isolate trends and begin to foresee at least the immediate future. Accordingly, since this nation chose not to act on this problem until the shortage was upon us, I will now venture to predict the following sequence of events:

(1) A continuation of the current hectic recruiting campaign with increasing salary scales for anyone with a semblance of training

[1] *George Sarton*, The History of Science and the New Humanisms, *p.* 11, *Cambridge, Harvard University Press*, 1937.

DR. LAWRENCE R. HAFSTAD is well known professionally for his studies in peacetime uses of nuclear energy, for which he has received several major scientific awards. For development of a million-volt vacuum tube he shared the American Association for the Advancement of Science Award with M. A. Tuve in 1931. He received the Medal of Merit in 1946 from the Secretary of Navy for his "major contribution in development of significant improvements in ordnance for the Army and Navy". This same year the British government conferred upon him the "King's Medal in Defense of Freedom." In 1954 the Atomic Energy Commission named him for its Distinguished Service Award. The Scientific Research Society of America presented him its annual William Proctor Prize in 1956, as one of the nation's leading scientists. He joined the General Motors Research Staff in September 1955.

in science or technology, and particularly for people with advanced degrees.

(2) A marked decrease in emphasis on quality in our schools to meet the increasing popular demand for quantity.

(3) A period of progressively diminishing returns to industry and society from the attempt to substitute standardization and quantity for quality in an essentially creative activity.

(4) A period of disenchantment with paper credentials as a substitute for education, and finally a renewed appreciation of scholarship and achievement.

There is nothing either profound or new in this cycle. It is an example of the "hunting" process under the action of central forces, which is familiar to all of us. It is interesting, however, to speculate upon the time scale involved.

THERE is now public recognition of the problem created by the shortage of trained personnel of all kinds. It happens to be, however, just about ten years since this problem with regard to scientists and engineers had already reached the table-pounding stage on the part of a few forward looking individuals in Washington such as Vannevar Bush, Merriam Trytten, and Allen Waterman. We must conclude, then, that in matters of this kind our particular type of society seems to have a time constant—an RC, or response time, if you please—of roughly ten years. Successive responses to the four impulses listed above can therefore be predicted to require about forty years! Now it is true that in the historical sense forty years is not long in the life of a civilization, but one begins to wonder what the time constants are in competitive societies and how such societies are likely to react under similar impulses. Above all, one wonders why, with our highly developed communications facilities, our response times should be so surprisingly long.

Perhaps no small part of the explanation lies in the fact that scientists and engineers, who have long been aware of this situation, are, after all, a numerically very small fraction of our population. Added to this is the fact that the effects on a society of the activities of this group are invariably long delayed. A complete work stoppage on the part of the creative scientists would not, for example, be felt by our society as a whole for a decade or more. Thus it is difficult for the majority of our population to appreciate fully the function or significance of this relatively inconspicuous group. After all, the larger affairs of our society are, and no doubt always will be (and quite properly), handled by nontechnical people.

It is interesting to speculate about the somewhat anomalous situation into which we have gotten ourselves. There seems to be a tacit, but not clearly expressed, assumption that the purpose of the kind of society we favor is one which gives the greatest good to the greatest number. Our society has seized upon technology as a clearly applicable means to this end, so far as gratifying material wants is concerned. One would then assume that society, or more accurately the non-technical controllers of that society, would as a matter of enlightened self-interest pay particular attention to the education and training of an adequate supply of what they refer to as "technicians". Instead, it is the technicians, the scientists and engineers, who have been calling for an increase in the supply of talent even though it would be to their own self-interest to restrict this supply of skills and thus improve their bargaining position. As scientists and engineers we ask the question from time to time, "For what and for whom are we working?" The sociologists from whom we assume we should expect a reply seem bewildered that the question should even be asked. By them technology seems to be considered as some extraneous activity apparently introduced or perpetrated by the scientists.

It is this deeper conflict in outlook and attitude between the humanist or sociologist and the scientist or engineer which gives me the greatest concern. The shortage of scientists *is* serious — but here the incentive forces are being brought in to play in a direction to *correct* the anomaly in due course. However, in the philosophical conflict, with our technology tending to become ever more complex, and with increasing specialization, unless *current educational trends are reversed*, the technical and non-technical components of our society will continue to travel diverging paths, with hunting oscillations not of decreasing but of increasing amplitude.

As Sarton has pointed out, "The ominous conflict of our time is the difference of opinion, of outlook, between men of letters, historians, philosophers —the so-called humanists—on the one side, and scientists on the other."[2] Similarly, Mees has stated:

> *"While the relation between the progress of scientific discovery and the structure of society is of the utmost interest and importance to those who desire to understand it or, still more, to control the changes that are occurring, there is a cleavage between those who follow the discipline of history and of the humanities and those who are eagerly pursuing the quest for scientific knowledge. Humanistic learning is the learning of the ancients; it is a study of the accumulated thought of mankind so far as it has been transmitted to us. Scientific knowledge, on the other hand, is a development arising from the observation of facts and their classification into patterns. The separation of these two types of learning has always been unfortunate; at present it is serious, and it may, indeed, be disastrous."*[3]

You will recall that there is a principle in physics which says that in order for energy to be transmitted efficiently from one electrical network to another, it is necessary that there be an impedance match between the two circuits. Very similarly it has been my experience that for the transmission of information, or more accurately human understanding, between two individuals it is necessary that there be a matching of backgrounds. Historically such a matching has not existed between devotees of the humanities and of the sciences. So far as the development and enjoyment of the sciences by and for scientists are concerned, no matching is really necessary. Similarly, the humanities as a discipline are completely self-sufficient. If, however, the humanist chooses to *use* science as the basis for a technology designed to advance the standard of living of mankind, then it becomes incumbent on the humanist to so fashion an educational system that *he* can communicate with scientists and engineers. This he has failed and is failing to do. Teaching less science and mathematics and more art and music to scientists may enrich the life of the scientist, but it will not help solve the basic problem of the humanist, which is to create what *he* has concluded to be the good society. If there is to be a sizable component of technology in his good society, he must at some point face up to the problem of matching impedances with the scientist.

Let us take a look at some of the facets of this problem which might have to be considered. Very early in my career as a student I became aware of the definition, "Life *Is* Struggle," and in my day we were so reactionary that

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[2] Ibid., *p.* 54.

[3] *C. E. K. Mees*, The Path of Science, *p.* 15, *New York, John Wiley & Sons, Inc.*

we even came to accept it. It also became clear to me that the struggle was for an intangible something called "Progress". This was a much more elusive concept and one which I have found intriguing even up to this day. Somewhat surprisingly, I learned that the idea of progress was itself a relatively recent concept in human affairs. Still more significantly, it was not accepted without considerable opposition and conflict. People were burned at the stake! All this, of course, is spelled out in the literature and is particularly well summarized in the too little known book by Prof. Bury.[4] The important fact which emerges, however, is that the idea of progress, and the development of technology, are inextricably interlinked. As stated by Mees, "Technology is at once the source and the justification for the idea of progress."[5] That this is true seems to be accepted by scholars throughout the world as is evidenced, for example, by the determination of the under-developed countries to industrialize. The fact seems to be accepted everywhere except where it should be most ovbiously true and that is here in our own United States. Here in our society we demand progress — in fact, we seem to take it for granted as a law of nature — but there are influential people who seem to be doing their best in our education process to escape or circumvent science and technology, which alone can make progress possible.

PERHAPS I have overstated my case. Let us hope so. But a review of some recent evidence may give us a perspective in which to view the problem. In a recent study among high school students reported from Purdue[6] it was found that

- 14% of the students think there is something evil about scientists.
- 30% believe that one can't raise a normal family and be a scientist.
- 45% think their school background is too poor to permit them to choose science as a career.
- 9% believe that one can't be a scientist and be honest.
- 25% think scientists as a group are more than a little bit "odd".
- 28% believe scientists have no time to enjoy life.
- 35% believe that it is necessary to be a genius to be a good scientist.
- 27% think that scientists are willing to sacrifice the welfare of others to further their own interests.

This is indeed a devastating commentary on scientists, or on our educational process, or both. With this attitude among students, is it any wonder there is currently a shortage of scientists and engineers? Since the world managed to survive for some centuries before the advent of scientists or engineers, the attitudes expressed would be quite understandable if the students were or proposed to become mystics and lead the contemplative life, which certainly has its advantages. But these were normal American boys and girls demanding and getting one hundred horsepower cars for transportation, radios, televisions, movies, juke boxes, and all the other paraphernalia of our modern civilization. How could they have grown to high school or college age without learning the simple facts of cause and effect with respect to the technological civilization in which they are clearly planning to live?

In this respect our school system is quite inadequate, in my opinion. The shortage of scientists and engineers is bad enough, but with some effort these immediate shortages can be corrected since the total numbers needed are not really large in proportion to the population. What is more serious (and more dangerous in the long run) is that the mass of our population, who, in a society dedicated to the greatest good for the greater number, must in the end control it, remains in ignorance of the foundations on which that society is based.

The contrast between the studied complacency of educators and the concern of scientists and engineers with regard to this situation can perhaps be emphasized or dramatized by Koestler's device of using a staircase to show the effects of different points of view bearing on the same problem. In Figure 1 the humanist or so-called "progressive" educators looking from above sees a series of plateaus or tableaus (since they are flat to him) and notes with amazement and delight that each successive tableau shows a successively higher standard of living. With only a limited imagination he can make the slight extrapolation to

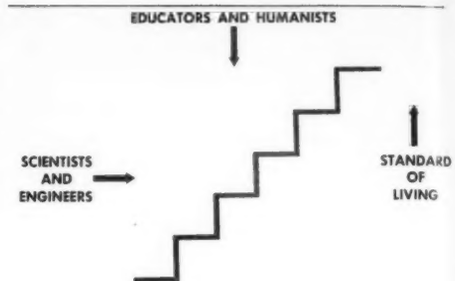

Figure 1

the point where no one has to work. Being foresighted he places great emphasis on training for leisure. Being also sufficiently observant to note an increase of population with time, and being aware of the frictions and struggles brought about by individual differerences, great emphasis is also placed on standardization. For the convenience of all concerned, why shouldn't the "lowest common denominator" solution be picked? From his point of view it makes sense.

Now look at the same staircase from the point of view of the scientist. He sees each plateau merely as a hesitation point between struggles to attain a higher level. To him progress represents work, and he is convinced that further progress cannot be made without struggle. To him there is nothing automatic or guaranteed in the comfortable and continuous progress which the humanist and progressive educator seem to take for granted.

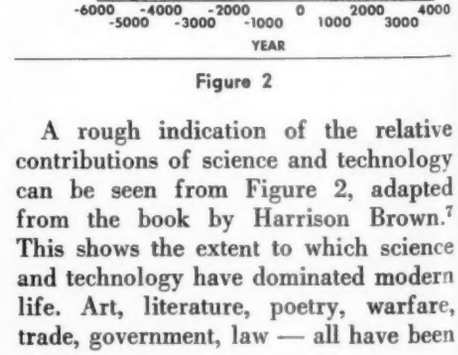

Figure 2

A rough indication of the relative contributions of science and technology can be seen from Figure 2, adapted from the book by Harrison Brown.[7] This shows the extent to which science and technology have dominated modern life. Art, literature, poetry, warfare, trade, government, law — all have been

[4] *J. B. Bury*, The Idea of Progress, *New York, The Macmillan Co.*, 1932.
[5] *C. E. K. Mees*, The Path of Science, *p.* 13, *New York, John Wiley & Sons, Inc.*
[6] *Report of Poll No.* 45, The Purdue Opinion Panel, *July* 1956, *Division of Educational Reference, Purdue University.*
[7] *Harrison Brown*, The Challenge of Man's Future, *p.* 49, *New York, The Viking Press*, 1954.

with us from prehistoric times. As H. G. Wells has pointed out, the first episodes in recorded history involve the quarrels of Sumerian priests. Apparently none of the accomplishments of these groups was sufficient to break the monotonous cyclical rise and fall of the same kind and level of civilization in merely different locations, such as in China, Egypt, Greece, and Rome. Taking simple survival as the lowest level of human happiness and integrating for all mankind, we find a total contribution for the humanities as given by an extrapolation to the present time, of the first part of the curve of Figure 2. The rapid growth of the population curve after the 17th century is commonly attributed to the development of science and technology, so the relative contribution of these disciplines to humanity as a whole can be taken as roughly three to one over that of what used to be called the humanities. Considering the relative contribution of these two kinds of activities to the good of mankind, one wonders whether perhaps the names should not be interchanged!

SINCE our society has chosen for itself a kind of civilization which is so overwhelmingly dependent on advances in science and technology, it is only prudent to ask how we can expedite our progress in these fields. Here is where the shortage of scientists and engineers comes in. I will not attempt to review but merely cite some of the many excellent and realistic articles on this subject. Significant, in my opinion, are recent articles by Stratton, Rassweiler, Rickover, Bestor and Beckman.[8]

These articles, by unquestioned authorities in their fields, point out inadequacies in our present educational system in so far as the production of technical personnel is concerned. I agree heartily, but I wish to make a deeper criticism. Even if an entirely separate educational channel were provided which more than supplied our foreseeable needs for engineers, I contend that the education of the rest of the citizenry should include a basic understanding and appreciation of our technological society, both its strengths and its limitations. Above all, at some point in the education process it should perhaps be brought to the attention of the students (very delicately, to be sure, to avoid psychological trauma) that progress cannot be made without struggle, nor freedom enjoyed without personal responsibility.

It has long been my contention that those who have *done* should teach, and accordingly those who have taken an active part in creating our technological society should be best able to interpret it for others. Unfortunately the very shortage of technical talent exerts great pressures on individuals skilled in these fields to concentrate on technical problems. Scientists and engineers are notoriously inarticulate, so a suitable education should include a heavy concentration on the arts of communication. This might be acquired in our elementary or secondary schools, but in our present predominantly super-kindergarten system of education it is postponed until college. Here it is in conflict with the needs of ever more highly specialized professional training. The engineer remains inarticulate and the general public uninformed; thus the impedance mismatch is continuously increased, not decreased, and must eventually approach instability.

> *Dr. Glenn Frank has stated this problem with fine understanding: "The practical value of every social invention or material discovery depends upon its being adequately interpreted to the masses. The future of scientific progress depends as much on the interpretative mind as it does upon the creative mind. . . . The interpreter stands between the layman, whose knowledge of all things is indefinite — and the scientist whose knowledge of one thing is authoritative. . . . The scientist advances knowledge. . . . The interpreter advances progress. . . . History affords abundant evidence that civilization has advanced in direct ratio to the efficiency with which the thought of the thinkers has been translated into the language of the masses."*[9]

In contacts with students and even with reasonably informed grownups, I have found that such simple and basic things as the relation between research and engineering, between technology and the standard of living, or between progress and incentive, not only are not understood but that the discussion of these concepts is itself a fascinating *new* experience. An Operations Research approach to some of these problems might prove quite rewarding.

Here are some simple examples which I have found to stimulate considerable interest in discussion groups.

First, in regard to the relation between science and engineering or research and engineering, let us look at Figure 3. This

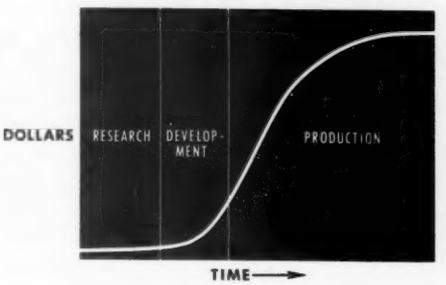

Figure 3

curve shows the usual growth curve for costs of a project of some kind. Note that the costs during the research or information-gathering phase are small. It is only at the beginning of the development or invention phase that there is anything tangible to consider and that costs begin to mount. It is here that the businessman first begins to take an interest, and it is this phase of the effort which he considers important.

To a research man, however, the picture looks entirely different. The business of the researcher is to get really new information, to discover a relationship which previously had never been known, to do something — not better or cheaper than somebody else — but to do something for the first time in the history of the human race. Research discoveries are rarely spectacular but may nevertheless be highly significant. Thus, to bring out what is important in research we might plot, not dollars expended, but the ratio of the information available in a certain field before an experiment and after an experiment. If something truly new has been discovered, this ratio becomes infinite and a replot of our previous Figure in terms of this information ratio becomes as shown in Figure 4. This curve emphasizes *basic* research, the acquisition of knowledge for its own sake.

The scientist's work as a scientist is completed when a new item of information is established and recorded. It is no concern of the scientist, as a scientist, whether the information is useful or not. It is for this reason that we can say with conviction that it is *not* scientists who create technology. It is society itself which chooses to create a technology

[8] *The articles referred to are:*
J. A. Stratton, Science and the Educated Man, *Physics Today—April* 1956.
C. F. Rassweiler, Producing More Technical Man Power, *Technology Review—May* 1956.
H. G. Rickover, Engineering and Scientific Education, *Technology Review—April* 1956
H. G. Rickover, The Education of Our Talented Children, *Thomas Edison Foundation—November* 1956.
Arthur Bestor, We Are Less Educated Than 50 Years Ago, *U. S. News & World Report—November* 30, 1956.
Arnold O. Beckman, A Business Man's View of the Failure of Education, *U. S. News & World Report—November* 30, 1956.

[9] *Dr. Glenn Frank, late President of University of Wisconsin, Madison, Wisconsin.*

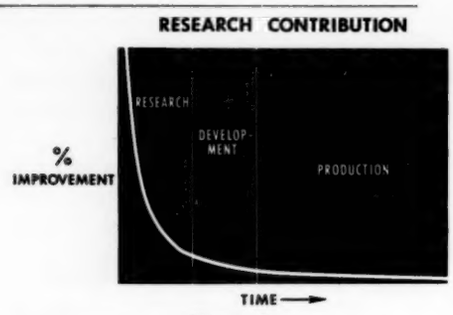

Figure 4

based on the information which the scientist has uncovered. This problem of application is the function of the engineer. At the beginning of the scientific era, science and engineering were widely separated in time. With the development of our current technological civilization, applications have followed more and more closely on the heels of discovery, with the result that in many fields the search for new information and understanding is carried out simultaneously with the application — that is, the effort to solve some practical problem. Though activities may overlap, the distinction in function remains. The same man who makes a discovery may choose, or be persuaded, to attempt to apply it to a practical problem. In this case he ceases to be a scientist and works essentially as an engineer, and is motivated not internally as a scientist but externally by society. I dwell on this point to counter the argument often advanced that it is the scientist who has created the complexities of our modern industrial civilization. I maintain it is not. It is society itself, and particularly the non-technical part of society, which creates the demands which are the motive force behind our technology.

LET us turn to another basic question, the relations between standards of living, education, and technology. Much of the energy in our educational system these days is focused on new theories of teaching which will avoid grading and thus any semblance of conflict and competition. This is no doubt desirable sociologically, but apparently so is a rising standard of living. This presents a painful choice. In technology, if incentive is removed so is struggle; and if struggle is stopped, so is progress. This leveling process could, of course, be carried out at any point in the history of a civilization, so it is of interest to see what would have happened had it been carried out at some previous times in our own history. The results are shown in Figure 5.[10] Who made the greatest real contribution to the goal of the humanist, the engineers or the self-appointed Robin Hoods of 1909, those people who thought all our social problems could be solved by a redistribution of the wealth at that time?

Finally, let us consider a little further the relationship between incentive and progress. Let us assume, following the late Dr. Dickenson of the Bureau of Standards, that the actual innate abilities of a population are given by a probability distribution curve such as A in Figure 6. As a base for comparison let us now imagine a perfectly "efficient and just" social system which extracted from each individual a contribution proportional to his ability and rewarded him in accord with his contribution. The dollar income curve would then coincide precisely with the ability curve A. But there are many other criteria society can choose to specify the income curve. In the United States we originally chose to give "rate of progress" great importance in our specification, and emphasized incentive, but we balanced this with benefits for the underprivileged, which gave us a distribution curve, according to Dickenson, something like B. The Marxian criterion, on the other hand, was "From each according to his ability to each according to his need". The experiment was tried, as we all know, and according to reports resulted in a peaking of the curve just at or barely above the subsistence level, as in curve *C*. Clearly this represented a *sharing of poverty*, as Herbert Hoover has so aptly phrased it. This failure of a social theory forced the Soviet to adopt the "New Economic Plan", with a return to emphasis on *incentive*, to bring out the potential contributions of the able. The new curve, of course, has a new specification which I am sure is intended to maximize progress. To attain such progress, however, the Communists have distorted their reward curve to some such curve as *D*, with the mass of the population at subsistence level and a pampered elite at the top. The stresses and strains thus introduced into their society are only now becoming evident.

In summary, there is a continuing divergence in point of view between the sciences and the humanities. With the sciences, through the mechanism of

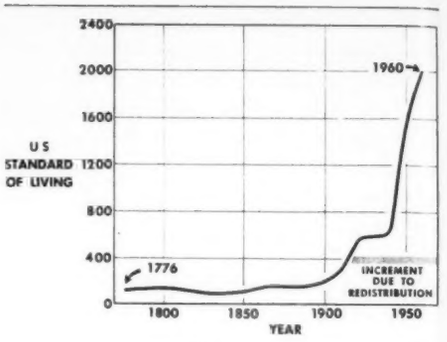

Figure 5

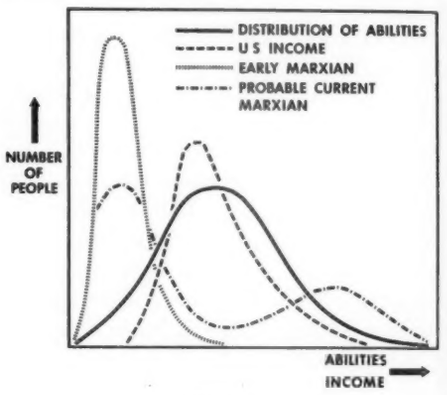

Figure 6

technology, being called upon to make an ever-increasing contribution to a society as specified by the humanists, there is serious cause for concern in the fact that the educational system at the elementary and secondary levels seems to be out of step from a systems-engineering point of view with the foreseeable needs of such a society. The desire for "progress" cannot be reconciled with the lack of attention to, and an incentive for, students of exceptional ability. Similarly the desire for "progress" is inconsistent with the trend toward effortless education, and the substitution of pastimes for disciplines. Finally, the assumption that a growing population can be supported on and by the work of a shrinking fraction of highly trained creative specialists leads to a social structure like that of an inverted pyramid.

With increasing complexity and specialization in the technical fields, the gap between the sciences and the humanities becomes an ever-widening one. This adverse tendency could be reduced by insuring that students of science were given a better grounding in the humanities, while students in the humanities were given a better background in science. This requires *more* rather than *less* disciplined study in both fields, and runs counter to the current educational trends.

[10] *The standard of living data are from a recent Brookings institution study. The increment shows the increase in average standard of living due to a redistribution, or leveling, or income of all kinds, salaries, rents, dividends, etc.*

Earned Freedom For Management

by H. Ellsworth Steele

Research Professor of Economics
Alabama Polytechnic Institute
Auburn, Alabama

MANAGEMENT is anxious to maintain its prerogatives. It wants to hire employees, place them on jobs, establish the work content of those jobs, introduce new machinery, reassign workers and set production goals as business requirements dictate. In carrying out these functions, management wishes to be free of undue employee resistance or union opposition.[1]

But management may no longer take for granted this freedom to maneuver. Today's vigorous demand for labor and strong national unions make that impossible. The opportunity to freely exercise management rights must be earned, as the opportunity to work for high wages in a good firm must be earned. Both privileges are on loan, subject to cancellation when no longer deserved.

The firm which desires the maximum in management flexibility must win it through the quality of its employer-employee relations. The company successful in this area is able to meet many potentially disrupting situations without difficulty. The firm without a background of good relations is not so free to adapt itself swiftly and successfully to market demands.

This article presents a case study showing how a firm achieved excellent relations with its workers and has been able to meet potentially trying situations without significant disturbance. The study analyzes the management's philosophy and its operating principles in order to discover how the company has won and retains the confidence of its workers.

Logan Manufacturing Company's Philosophy and Objectives

In 1932 the Logan Manufacturing Company (not actual name of the firm) took over the physical assets of a bankrupt steel-building-products firm in a big eastern city. Today this new company also manufactures aluminum products, proudly reports more than 600 employees and annual sales of over 12 million dollars. Furthermore, over the years the new company has had an enviable profit record.[2]

Behind this solid business achievement lies a story of employer-employee relations of significance, especially to other moderate-sized firms. The author was able to obtain an insight into some of the factors vital to the company's success during a month's intensive study of its employee relations.[3] In this period, the author conferred at length with top company officers and with a random sample of 40 office employees, foremen, shop stewards and production workers. The interviews were held under circumstances which assure the fullest expression of employee opinions and attitudes.

The company philosophy revealed in these interviews differs little in broad outline from that subscribed to by many other firms. It is in the depth of conviction and in the concrete expression that the difference lies.

Company officials insist that the firm must be profitable, but they give great weight to long-run considerations. The fact that the company's stock is closely held by men active in the firm makes it much easier to take the "long view."

Management sees Logan Manufacturing Company as a "human enterprise, a sum of the personalities involved." The company must be profitable, but also it must be a "decent place to work." As part of this picture, the company seems to maintain friendly and construc-

[1] *See Edward S. Mason, "Labor Monopoly and All That," paper read to the Industrial Relations Research Association and the American Economic Association, December* 28, 1955, *New York City, pp. 27ff.*

[2] *From* 1951 *through* 1955, *for instance, its average percent of net profits to investment have been approximately* 30 *percent before taxes and* 13 *percent after taxes.*

[3] *While serving on a "fellowship in business" sponsored by the Foundation for Economic Education.*

H. ELLSWORTH STEELE was Wage Analyst for the Cleveland Regional War Board from 1943-45 when he became Statistician of Occupational Planning Committee of the Cleveland Welfare Federation. From there he went to the University of Toledo to teach Economics. In 1951 he became Research Professor of Economics at Alabama Polytechnic Institute. Professor Steele has authored many articles on economics for National journals. He is a member of Phi Beta Kappa, and of Rotary International, of Alabama Educational Association, Alabama Academy of Science and the Southern Economic Association.

tive relations not only with its own employees as individuals, but also with the union which its workers have chosen to represent them.

IN ORDER to achieve security for its owners and workers, top management believes that the company must continually expand. It must periodically bring out new and better products and should increase its research activities. It must minimize its exposure to risk, yet pursue a dynamic policy. Its expansion, however, should come through retained earnings for that is the safest method. The company must be alert to technological improvements and introduce them whenever they become profitable — the firm has recently installed an electronic computor. As one official declares, "There can be no compromise with efficient operation and profits. The men displaced can always be absorbed."

The actual meaning of this philosophy is expressed in the specific principles which guide the company in its relations with its workers and its union.

Principles of Employer-Employee Relations

Examination of the company's operations and interviews with its officials reveal the following principles at work.

Good Wages. The company feels that it should pay "good wages," by which it apparently means the prevailing industry pattern. In union negotiations, management does not attempt to secure wage increases of less than the industry pattern because any advantages thus won would be lost on the production line. The company wants a contract which will satisfy its men. As one shop steward sees the picture: "The company believes in paying a man all he is worth. It usually pays a 'courtesy' rate above the union scale." Another steward says: "No one here is underpaid. No one can say that he is underpaid — it is impossible."

The firm's personnel director is concerned over the adequacy of wage differentials in favor of the skilled men and would like to see a job evaluation to increase them. Close questioning of the workers, however, reveals only minor dissatisfaction with present differentials.

Each year the company gives the workers a sizable Christmas bonus based on a formula which includes company profits and each worker's total earnings. The formula is adjusted annually so that the ups and downs of business are not fully reflected in the actual bonus. This program is understandably popular with the workers. Their reactions are well summed up in the comment of one, "It is a gift from heaven — you produce for it."

In 1952 the company instituted a profit-sharing plan in addition to the Christmas bonus. The plan is essentially a retirement program and payments to it have been modest. Workers interviewed are enthusiastic about the plan, but know little of its actual operation.

Job safety. Company officials want the workers to be safe on the job. Safety men work within each department. Posters are used and accident reduction is stressed in each issue of the company newspaper. Still the firm is not satisfied with the results because both the frequency and severity rates are high by industry standards. Crowding is one obvious cause. The fact that the safety program is a part-time duty of men responsible to department heads who are primarily interested in production may be another cause. The company realizes safety is a weak point in its program and is trying to strengthen it. Plant expansion now under way should bring improvement.

Steady employment. One of Logan Manufacturing Company's outstanding accomplishments has been its stability of employment. Great efforts are made through sales activities, adjustment of hours, interdepartmental transfers, swift correction of machine breakdowns, and concentrated maintenance to give each man at least 40 hours of work every week. Success in attaining this objective and the appreciation it has won from the workers was reflected in every interview.

Generous fringe benefits. The company provides liberal fringe benefits. It developed a group insurance program including life insurance, hospitalization and surgical benefits before the union pressed for the current contributory plan. Even now the company supplements the life insurance feature of the negotiated plan and maintains a company doctor on a part-time basis. Vacations, a Christmas thrift club, employee loans, a subsidized cafeteria, free cold drinks on hot days, a variety of social affairs including anniversary banquets, picnics, dances, a Thanksgiving dinner and a Christmas party, are other benefits provided. The company grants the rest of the day off with full pay to contributors to the "blood bank," furnishes gloves at less than cost (or free, in some cases), offers workers its own products at a discount and, through the personnel department, occasionally engages in cooperative buying for its employees. It maintains two volley ball courts and encourages a number of bowling teams and a baseball team.

Equality of shop and office. Logan management consciously endeavors to avoid the common feeling of shop workers that they are second-class citizens in the company. Vacations are more generous for office than for shop workers and separate dance and dinner parties are held for these two groups. But both groups eat in the same cafeteria, both have special committees to work with management and both are invited to the anniversary banquets. Wage and salary increases are given together. Office workers argue, however, that raises in the office wait on union negotiations. Furthermore, some of them complain that the entire work force is dismissed on hot days only if the shopmen want to go home. To some office workers the company seems to favor the shop workers; nevertheless, most of them recognize the company's attempt to achieve equality of treatment.

Free communication. Company officials want free and open channels of communication between them and their employees. To facilitate such interchanges, they use a variety of written media. Most important of these is the company paper, which appears once a month with news of the business outlook, company plans for expansion or new equipment, discussions of production problems, health information, safety material and personal and sports notes. Recently a change from ditto to offset printing has been made in order to improve readability. A company handbook, bulletin board notices, and letters accompanying the Christmas bonus and the profit-sharing statements are also used.

EMPHASIS is placed on the shop committee which includes representatives from the different departments plus the chief union steward. Traditionally, the union representative acts as chairman. The committee takes up individual and group complaints and suggestions but leaves formal grievances over the interpretation of contract terms to the union. The company states: "The Committee is valuable to the shop workers because it gives them a chance to be heard, but it is even more valuable to management as it enables it to know about and correct abuses which are bound to exist. The

company is anxious to create pleasant working conditions, but it can't eliminate undesirable situations that it doesn't know about."[5] Office employees, who are not unionized, have a similar committee, but without a union representative.

The company values the "chain of command" as a communication medium. To keep in tune with the foreman, management holds foremen's meetings in the shop each Thursday morning[6] and dinner meetings in the company cafeteria once a month.

The company considers its personnel department a major link with the employees. To make himself easily accessible to the workers, the personnel director makes a tour of the plant at least once a day. His assistant is also frequently in the plant. Thus, the personnel department hopes to achieve contact with the shop workers despite their reluctance to leave their jobs and enter the forbiddingly clean and orderly company offices with their well-dressed staffs. That a problem still exists in this area is borne out by the proud comment of one worker, "I've been with the company 20 years and have been in the personnel office only once."[7]

TOP management wants the workers to feel genuinely free to come to the personnel office. As a high company official said to the personnel director and this author: "When a worker comes to the personnel office, cherish the opportunity to sell him on the company. Make it easy for the steward and workers to come to the personnel office and the steward will soon say to the workers, 'Go on, it's easy.'" Personnel has kept an "open door" and a receptive attitude which in turn has led some workers to decide that they "can always get more from personnel than from the foreman."

In management's view, the union grievance committee is a channel of communication "you can't substitute for." Management believes that men who have been fault-finders, but who now see the foreman's problems, are especially valuable on the committee. Therefore, the company ought not make members feel in any way that service on the committee will endanger their advancement. Company representatives should let the men themselves break up grievance committee meetings—"Don't let the men feel that the company shut them off."

All classes of employees at Logan's give a high appraisal of the company's efforts at communication. When interviewed, they made such comments as: "They [the company] don't hold back anything." "There are no secrets here." The company is "pretty frank." From a foreman came this statement: "Sometimes I think they tell too much. They shouldn't have to do that. It is not my business. I only work here."

From the interviews it was clear, however, that the workers had gained only a very general picture of the company's profit-sharing program. Furthermore, that the company's communication efforts need to be improved was clearly revealed in the wide-spread hunger for a fuller understanding of how each employee stands with his immediate superior and with the company. As an office employee said: "If I make a mistake I'd much rather be told; then I can change." The company is currently undertaking to more fully explain its profit-sharing program through its monthly paper, the *LMC News*, and to give each worker a greater sense of personal security through a supervisor-employee interview program.

A strong, responsible union. Company officials favor union organization. They did not oppose unionization of their plant; indeed, they saw acquisition of the right to use the union label as a gain. The company's West Coast representative, and former personnel director, puts their attitude this way: "The men need a power organization to oppose the company's power organization. No man can sit in audit on his own labor relations." The company's top negotiator is a frank admirer of Walter Reuther.

Logan management encourages membership participation in the union. Toward this end the company has granted a union shop clause and agreed to the same contract expiration date as that prevailing in the other contracts negotiated by their consolidated local. Previously its contract had run a month longer than the general contract. Both parties felt the difference reduced interest in contract negotiations which the company's workers would have if their contract expired at the same time. In negotiations, according to the company's representative in the Iron League through which the firm deals with the union, the company "gives in more often than not on the issues raised, but when it feels an important issue is at stake, it holds its ground and has won good settlements."

THE company respects the "survival needs" of its union and its leaders. Most of the 85 companies covered by the consolidated local union serve the local market. Logan Manufacturing and two other "sash" companies cater to a national market and might gain if they withdrew from the Iron League and negotioated separately. Such a move, however, would make it difficult for the local to support a business agent and accordingly suggestions for separation have met union opposition. Recognizing the problem posed for the union, the company has not pressed the issues. On the other hand, Logan Manufacturing insists that the sash companies be represented on every negotiating committee and that settlements follow the industry pattern. Thus, the company is left in a sound competitive position.

Flexible Wage Administration. The company stresses informality and flexibility in its wage and salary administration. It has job rates, but no job evaluation. Only recently, and under some prodding from the union, has it undertaken systematic job classification and definition. Even now it is reluctant to establish firm lines governing job duties. There is no formal merit rating system. Indeed, the company's former personnel manager, whose philosophy has made a deep impression on company policy, is convinced that merit rating plans "don't really work, though they may appear to." Wage scales are neither posted nor "broadcast," though they are given each foreman and the men know that they can secure information on their own job from their foremen. There is some sentiment among the men to "publish" all job rates. On the other hand, there is apprehension that such a move would establish rigid rate ceilings and make rewarding of exceptionally good workers difficult.

Some workers suggest that since the company is growing larger, firmer lines need to be drawn. This may be particularly true in the area of wage administration.

Steady and Full Production. From its workers, the company expects good attendance and a vigorous productive effort. Foremen stress attendance and men who have good records are rewarded with free turkeys at Christmas time. The firm uses time study to set production standards or goals, but does

[4] Employee Handbook, 1953, *Logan Manufacturing Company, pp.* 4-5.

[5] *Until recently, these meetings were held every morning.*

[6] *However, the company has had a formal personnel department only since* 1948.

[7] *The firm has long used a Negro custodian in the office.*

not have an incentive pay system. The predecessor company had used incentive programs and, according to some employees who had worked for the old company, indulged in rate cutting without justification. The men realize that Logan Manufacturing expects a full day's work and they give it.

Identification of Worker and Employer Interests. Probably most employers conceive of employee interests as identical to their own. Logan management wants its workers to feel such an identity. The Logan company's philosophy, however, is: "Never say it. Prove it."

THE company attempts to accomplish this objective in part through its various means of communication. Company plans, problems and progress are continuously reported to the workers, especially through the *LMC News*. The firm has been able to convince most of its foremen that they cannot meet their responsibilities to the company without simultaneously meeting their responsibilities to their men. High wages, Christmas bonus, profit-sharing program and fringe benefits are tangible evidence of the identity of interest.

The extent to which management has succeeded in building loyalty to the company on the basis of unity of interest is remarkable.

Earned Freedom to Meet Management Problems. The attitude which the company has been able to create among its workers and the relations which it has achieved with its union upon the basis of these principles have won for it freedom of action in meeting its problems. Drawing on this confidence, the company has been unusually successful in solving a number of potentially serious situations without strikes, slowdowns or widespread unrest.

Unionization: Many firms are organized only after strikes of varying duration, then find their relationships with the union punctuated by frequent work stoppages. Such has not been Logan's experience. As the company expanded its operations into New York in the 1930's, it discovered the need for a union label on its products in order to effectively exploit the new market. Thus, when AFL and CIO organizers appeared, the company was receptive to the idea of unionization. The International Association of Bridge, Structural and Ornamental Iron Workers AFL, won the support of the firm's employees and in 1937 negotiated a contract which has been renewed annually ever since, without a strike.

The day-to-day relationships within the plant have also been harmonious. The workers have not elected chronic malcontents as their shop stewards, but have selected men who can see both sides of problems which confront them. This fact was evident in the interviews. On the one hand, the stewards expressed their concern over the shortcomings of foremen, or of the company, in regard to use of seniority in promotion, allocation of overtime work, acceptance of suggestions, informing workers of their weaknesses, explaining why certain men do not receive merit raises, etc. The stewards believe that it is their duty to speak up for their men, and they do not hesitate to do so. On the other hand, the stewards are worried about worker shortcomings. They complained of employees who have unlimited excuses for being absent, who talk too much, who are on the job only to put in their time, who are never satisfied, who work hard to secure top rates, then take it easy on the job, who are ungrateful for the Christmas bonus or for wage increases won for them by the stewards, etc.

The stewards appear to be even more loyal to the company than are the ordinary workers. This is not surprising because they have obtained a clearer picture of company problems and objectives through their closer contacts with management over the grievance table. Their appreciation of the company can be illustrated by the comment of one steward that the men from the other shops in the consolidated local continually ask why they cannot have the advantages Logan Manufacturing gives its men. "If only more of the men would attend union meetings," this steward believes, "they would get a better idea of what the company is doing for them to make it a better place to work."

The union is active in the plant and the stewards feel that they stand their ground well, but the local is not militant. The stewards are proud that "The whole plant won't be shut down over a minor problem of one man. Our union doesn't pull out the men over minor incidents. The International President says, 'Don't support bums.'" The quality of its employer-employee relations have enabled the company to go nearly 20 years without a strike whereas other firms dealing with the same local union have suffered work stoppages from time to time, usually over unsettled grievances. In short, the interests of the men are protected, but the company is free to meet production problems without harrassment.

Expansion: The growth of the company's output and of its plant facilities have led to three problem situations. Before each plant or office addition has been made, intense crowding has developed. Then, when new facilities become available, the men must adapt to them. Throughout the process of expansion, the men must adjust to new workers and to the inevitably increased distance between workers and management.

The men interviewed were clearly conscious of each of these problems, but were also aware of management's efforts to alleviate them. Many office and shop workers commented on their crowded conditions, but looked forward to relief when the additions now under construction are completed. Even improved facilities cause problems, however. When contractors installed the lockers in a new location and the company parking lot was moved some workers found they had to zig-zag about the shop to change clothes and reach their cars. Others regret that the new location of the parking lot makes it difficult for them "to catch a cup of coffee" in the company cafeteria each morning before work.

THE most important problem resulting from the company's growth is the increased feeling that top management is losing touch with the workers. Some of the older men argue that the company has grown through the contributions of the veteran employees who are now being passed over in favor of younger supervisors without the old-timers' background of experience. Some of these older employees complain that they no longer know everyone in the plant. They think they see some partiality in promotions and wage increases, but insist that "they don't know about it upstairs." Some foremen say that top management occasionally goes over their heads, but "They do it by oversight. They would apologize if you mentioned it." Some workers loaf, their fellow workers claim, but "the brass doesn't know about it." Furthermore, a number of workers who have previously been employed by a large textile mill which went bankrupt, fear that increased size leads to greater risks and the possible loss of jobs.

Despite their consciousness of these problems and the dire forebodings of a few, the great majority of the workers are enthusiastically in favor of company expansion. To them it means that the company is "strong," "progressive,"

"profitable" and is "putting out a good product." It stands for greater job assurance and opportunity for advancement. The workers are proud that after the current expansion the company will be in the top three of its industry instead of merely the top ten.

This summary has brought out some of the strains which the company's growth has produced. Additional measures might well have been taken to reduce their impact on the work force. The point to be emphasized, however, is that due to their relationships with management the workers have appreciated the objectives of expansion and understood its long run significance for them. As a result, they have cooperated with the company and not obstructed progress.

Work assignments. Many organized firms find that even industrial unions insist on strict adherence to jurisdictional lines between jobs and to set formulas for allocating overtime.

Sub-foremen, shop stewards, and regular workers at Logan Manufacturing are proud of their freedom from petty jurisdictional rules. A sub-foreman, who as a worker had been continually frustrated by work restrictions enforced by a Teamsters' local in another firm, was particularly enthusiastic in praising the freedom of action in Logan Manufacturing.

COMPANY officials with justifiable pride compare their own experiences with the union to those of a close competitor. Some years ago when business was slack during the winter months, the competing company had taken the opportunity to use some of its regular men to change the structural steel framework of its plant. This erection work could have been performed by members of an "outside" local at the much higher construction rates, or by production members of the union employed in the plant. Because of the company's poor relations with its employees, the very men who were benefiting by the chance to do this work protested to the local union officials. As a result, the work went to "outside" members of the union. Logan Manufacturing has engaged in several similar projects with no complaints from its local members. The company's good relations have won it this freedom of action.

At times work in certain departments is slack while other departments need men. In such cases, the foremen in "slow departments" lend some of their men. Naturally, the foremen have a tendency to retain the older, key employees. Consequently the less experienced men move into the booming departments. There they are called on to work overtime at premium rates while the older men in their home departments work only a 40-hour week. The problem is intensified by the fact that the company gives a Christmas bonus based on total earnings which are substantially affected by overtime work. This is probably the company's most acute problem, yet it has not led to a strike, threat of a strike nor, apparently, to a thought of either. The stewards from the affected departments are actively canvassing the problem with management and partial solutions have been sought through some rotation of transfers, through a general 45-hour week to spread the overtime work and a revision of the Christmas bonus formula. In this area it is conceivable that the close relations between employees and management have prevented the workers from pressing their own interest with appropriate vigor.

Work Stabilization: The major issue in labor relations in the last several years has been the guaranteed annual wage, but the author found no interest in that proposal among the Logan Company's employees. The reasons for this lack of interest were apparent. The men interviewed were unanimous in their praise of the company's efforts to assure steady employment. As one worker said, "The last thing the company wants to do is lay a man off or fire him." The company attempts to take care of labor needs in rush periods with overtime rather than by hiring temporary employees. When work is slow, men are put to painting, cleaning, etc., and hours are reduced to forty.

Thus, while other firms are being confronted with demands for a formal work guarantee with the accompanying restrictions, Logan Manufacturing retains the wider area of maneuver which it has won by continued and close attention to worker security.

Employment of Negroes and Immigrants: The company's work force is a polygot one including a substantial number of Negroes and recent immigrants. Negroes are now to be found in every shop department and in four office departments. When Negroes were first introduced in 1950 there was resistance, but not of an over nature. There is still a feeling of resentment among a small minority of the workers. Generally, however, the Negroes are accepted on the basis of their qualities as workers and their needs as human beings. The Negroes themselves believe that they are fairly treated. "Anything the company can do for you, it is out to do," said one. Another declared that he is "happy to leave home and come to work. It is like going to a baseball game."

THERE was grumbling when the company hired many immigrants in the post-war period. Some workers complained that the company was running an "immigrant office," and there was a feeling that the immigrants received more than their share of the breaks. Set apart by language and customs, the immigrants tended to isolate themselves and only slowly were drawn into the shop society. The immigrants were teased and they resented it, whereas the native employees were disturbed by the new workers' industriousness and ambition. The interviews indicate that time has shown the immigrants to be good workers, but with many of the same foibles as native Americans. They are now gradually being accepted as equals.

Here again management was able to adapt its practices to changing company policy and labor market conditions with a minimum or worker resistance and with no union opposition.

Morale. The principles upon which the company conducts its employer-employee relations have produced a high level of morale, which in turn has contributed to the company's success. From interviews with production workers, foremen and office workers, it is evident that they generally like their work. They find in their work a challenge, a variety and an opportunity to keep busy. The workers find some faults, but they are primarily with physical facilities, and a number of these complaints deal with conditions which prevent the men from doing their best work.

A friendly and cooperative spirit animates the plant. Even the office workers have a reputation of being ready to assist shop workers when they are passing by and see that a helping hand is needed. The foremen are generally well liked, especially those which have learned not to give orders but to ask for production. Some, however, have not learned that "the long face is out of date." A recent immigrant with a cultured background complained that "My foreman thinks that, in the United States, first there is President Eisenhower, then him."

Among most workers there is a feeling

Correction

The article on page 25 of the October issue of **Advanced Management** entitled "Industry Know-How Serves Hospitals" by Harold R. Bixler was first published as a guest editorial in the August 1957 issue of **Hospital Management,** a magazine read by hospital personnel in practically every hospital in the United States and Canada.

of responsibility to give a day's work. In the interviews a number of workers criticized other men whom they thought were not industrious enough and condemned supervisors who permitted their employees to loaf. A shop steward grumbled about the poor workers who demand that he try to get them raises, but do not want him to mention their names in the process. Several workers insisted that if the company took a low-cost job just to keep the plant going and, therefore, needed a special productive effort, all management had to do was to pass the word along and the company would get the needed production.

Conclusions. Thus Logan Manufacturing Company has assured its freedom to exercise management discretion, has obtained "elbow room" in which to meet trying situations, by convincing its workers that a community of interest exists between the company and its employees. This concept has included mutual responsibility. The company has demonstrated its belief in an identity of interests by: a program of high wages, generous fringe benefits, steady employment and non-discrimination, full acceptance of the union which the employees have chosen to represent them, and its practice of freely communicating with the workers concerning the company's current problems and its plans for the future. The company has won and retained the worker's respect by insisting on its freedom of action on vital issues and by requiring that workers do their part on the production line.

Company officials are aware of the danger to their close relations with their workers which stems from the company's continued growth. They are striving to maintain the essential features of the old relationships. Some of the measures of adaptation chosen have been presented.

The philosophy and principles of employer-employee relations which Logan Manufacturing Company has carried into practice might well be useful to other firms anxious to pursue management objectives while retaining the confidence and support of their employees. ■

ASAE Award for 1957 Presented to S.A.M. for Outstanding Activities

THE American Society of Association Executives (ASAE) presented its 1957 National and Regional Associations Award of Merit to the Society for Advancement of Management, through the St. Louis Chapter, on September 19th at the Thursday luncheon during the ASAE Annual Conference (September 18, 19 & 20, at St. Louis.)

The ASAE Awards for Outstanding Activities were established by Margaret Hayden Rorke, Managing Director of the Textile Color Card Association of the United States until her retirement in 1954. The purposes of the ASAE Awards Program are: 1) To foster and promote true service to American industry and the public through the medium of trade and professional associations. 2) To arouse the appreciation of industry and the public in the association movement in America. 3) To inspire the association executive with higher standards of effort to the end that he or she may guide the association to achievements that will reflect glory to American traditions.

Through the ASAE Award entries, the true story of the association's place in the American economy is reviewed for the public through announcements to schools of business administration and public libraries where students and industry alike can ascertain what manufacturing, distributing, service, professional and technical associations are doing about current problems affecting their members, their businesses and the public. The award entries provide the answers to many questions asked by the public, including those representing management, labor and research as well as by students of business and economics.

The Awards Jury which chose the S.A.M. for the ASAE 1957 Award was composed of the Honorable *Sinclair Weeks,* Chairman of the Committee and Secretary of Commerce of the United States; *Ernest G. Swigert,* President, National Association of Manufacturers; *John S. Coleman,* President, Chamber of Commerce of the United States; *Dr. John A. Dotson,* Dean, College of Education, University of Georgia; and *Paul C. Reinert,* J.C., Very Reverend, President of St. Louis University.

The 1957 ASAE Award was presented to the Society for Advancement of Management in recognition of its work in the Hospital Advisory Board and Assistance Program which was started in 1953 and now has 20 Advisory Boards working in 14 states, largely through S.A.M. local chapters, whose members make surveys and suggest or provide remedies for the hospitals' management problems. Typical problems solved had to do with records keeping, noise control, power plant operation, food service, manpower utilization, salary scales, employment practices, work flow layouts and procedures, safety programs and studies of financing, purchasing, inventory control and warehousing of hospital supplies. S.A.M. Chapters are now providing case history data to 750 hospitals, with about 200 S.A.M. members donating their part-time services to the 20 local advisory boards and 47 additional boards being organized in 26 states and Canada. ■

Joseph C. Cell (right) Vice President of the S.A.M. St. Louis Chapter, and **Professor Lee Kimball** (left), Immediate Past President of the Chapter, accept on behalf of the Society the Award of Merit for 1957 of the American Society of Association Executives from the **Very Reverend Paul C. Reinert,** J.C., President of St. Louis University. This award was presented to the Society "for its program of assisting local hospitals in many cities by providing, without charge, a variety of aids of a Scientific Management nature."

Improving Communication Policy

by William Exton, Jr.

President, Pay-Plus, Inc.,
Principal, Wm. Exton Jr., & Associates
New York

MANAGEMENT has long appreciated the value of competent impartial and unprejudiced survey and analysis before recommendation and decision, in most of its own areas of concern. But in one vital area that is coming to be increasingly recognized as an important measure of management competence, there is still an almost universal habit of preselecting a "doctor" who will prescribe *what has already been decided on!* And, all too often, management does not even realize that that is what it is doing!

The vital area referred to is the whole field of human communication. And the "doctor" called in is almost invariably one with a single service to sell.

There are hundreds if not thousands of companies, partnerships and individuals providing or offering some form or forms of communication service. Most, if not all of these services are *media oriented*. That is, the services offered consist of the application of those specific techniques and media of communication in which each agency specializes.

Thus, companies often ask their advertising agencies, for instance, for advice, assistance, or specific services in connection with communication problems that have nothing to do with offering products for sale, nor with advertising techniques or media.

Also, for instance, there are a number of organizations that "specialize" in producing films and sound film strips, for any purpose whatever. These exist and seek to profit by selling their services in producing communication "packages" in these specific media. When they are purposefully called in, that is virtually equivalent to making the decision to utilize the medium they offer.

One of the major adverse factors in this "bad habit" of management is the natural and commendable habit of many members of management to try always to do (or to appear to do) as complete a job as possible. ("Completed Staff Work"!) This practice often leads to making specific, detailed recommendations for the implementing of programs, even when this aspect is actually outside the maker's field of knowledge or competence.

Thus, if a special management committee recommends, for instance, the inauguration of a program of "selling" quality control to production employees, it may add the suggestion that a film-strip be produced. If the over-all program goes ahead, then, it will probably involve setting up an appropriate budget, delegating authority to expend it, inviting bids from film-strip producers, accepting one of them, and then relying on the forthcoming film-strip to "sell" or help "sell" quality control.

What would a competent study by persons qualified in techniques of communication produce in such a case?[1] Presumably recommendations leading to:

a. A program of maximum effectiveness within the fixed limitations, integrated with existing communication policies and programs, and carefully adapted to the situation as expertly determined.[2]
b. The necessary implementing materials, possibly wholly or partly preferable to and/or less expensive than a film-strip.
c. Other components of an integrated program to increase over-all effectiveness.
d. A better basis for planning the film-strip or other materials for maximum value.

WILLIAM EXTON Jr., has been author, speaker, producer and consultant in the field of communication since 1941. He is President and Trustee of the Institute of Human Communication, Trustee of the Institute of General Semantics and of the City Club of New York, a founder-member of the National Society for Study of Communication, a member of B.A.C.I.E., and of the Scientific Film Association. Mr. Exton is also owner-operator of Exton Plantations.

[1] *op. cit. p. 3, chapter 2, "Planning Training Aids," especially section on "optimum synthesis."*

[2] *See "Selling Quality Control to Production Employees," Exton, Personnel, American Management Association, March* 1951.

e. Effective ways for actually utilizing the film-strip — if any — or other materials, in the overall program.
f. etc.

Such desirable and valuable developments as these are usually sacrificed through the tacit, usually unconscious assumption that the "job will be done" by the limited, specified means uncritically accepted by management.

Consider a typical case: The management of Company F had a problem in internal communications. The advertising manager and the director of public relations were of the opinion that a motion picture would "solve" the problem. Fifteen minutes long; black-and-white; no animation; etc.

A number of commercial film producers, calling regularly on this company, were asked for bids along the lines indicated. All bid on the specifications — fifteen minutes; black-and-white; no animation, etc. They could not bid on anything else and receive consideration. The handling of the bids was delegated to a junior with no authority to vary or adapt, and the producers had no information about the problem outside of the management "hand-out."

A contract was awarded to a bidder who had produced a somewhat similar film, and one of their writer-researchers went to work. (He was *not* the one who had worked on the film that "sold" management.)

SO THE film was completed more or less along anticipated lines, accepted and paid for. Then it was turned over to line supervision for use with production employees in some fourteen plants. Some favorable comments came in from plant superintendents and industrial relations men, and management felt their problem had been solved; that the film was a success.

Some months later, the original problem condition still continuing, the V.P. in charge of Industrial Relations was shocked to find that not one of the available prints had been run in months. (This sort of thing happens often, even to brilliant managements, using producers with excellent records.) The V.P. was indignant, baffled, distressed. He made inquiries, and was fortunate enough to run into the superintendent of one of the company's smaller plants, an "oldtimer" with courage and frankness.

This oldtimer reviewed the in-plant problem-situation that had caused the production of the film. He illustrated the problem in terms of the words and actions of individuals; he made the related attitudes and motivations come alive for the V.P.

Then he ran the film. And as they sat there in the semi-darkness, the oldtimer made his comments. Some were sardonic; some caustic; some were merely questions:

"I run a drill press; what has *that* got to do with me?"

"What does that (dialogue) *really* mean?"

"That guy (the foreman in the film) don't talk like *my* foreman."

"Why should I do all that extra worrying? I don't get none of the profits."

He also offered a few other remarks, as if quoting employees:

"My union shop-steward says that's baloney."

"Yeah? that's not what they said last year in their damn' community relations ads (or house organ)!"[3]

The V.P. got the point. The film cost about $25,000. But far more than the $25,000, or even the delay and the failure, he regretted the irreplaceable contributions of the time and energy of top management that might have been spent more constructively. Also, he recognized the serious loss of management status that is necessarily involved in the failure of any formal communication effort. And there was still the original problem to be solved.

What was wrong? Simply this: *The communication problem was never actually treated as a true management problem.* A solution was not sought by proven methods, through the intelligent application of knowledge, technics and skills. The illusory sophistication of some members of management short-circuited the problem-solving process by offering a *detailed suggestion* (to use a film) that *seemed* like a solution. *Adoption of this suggestion actually complicated the original problem, by requiring that it be solved by a film!*

Then, the solution of this unnecessarily complicated problem was further handicapped by placing it directly in the hands of an outside "commercial" film producer, who entrusted it to one of his employees. This dropped it in the lap of another non-selected man outside the company, — one who had no personal experience in such matters. He was a "qualified" professional script writer. As such, he was primarily motivated (outside of pay) by the natural desire to display his dramatic skill and his mastery of cinematographic techniques.[4]

The resulting film was gratifying to *those few who already thoroughly understood and agreed with the basic theme* (viz: certain members of management). But it fell flat on its face when it tried to communicate effectively with those of less understanding and far less agreement (viz: lower levels of management, and employees). Since it was primarily intended for the latter, the film was a failure.

THIS example involves a film, but in principle the same fallacious procedure occurs daily, involving management decision to utilize specific communications technics through booklets, conferences, letters from the president, supervisory training courses, employees meetings, sales promotional programs, and other forms of communication.

Many actual cases of such fallacious approaches by management to the solution of communication problems in a variety of situations and industries, could be given if space permitted. Here are a few:

A. One of the country's most successful companies (annual gross over $500,000,000) in a major industrial field was recently faced with a truly vital and basic problem in internal communication. The president of the company and his top-level advisers were thoroughly aware of the importance of the most effective possible presentation of the nature, content and purpose of a new and basic internal program which was deemed vital to the future of the company. (The subsequently proved wholly and wholeheartedly receptive to constructive proposals from "outside" for implementing the required communication program).

Some company officials arrived at the conclusion that the new program had to be explained in all its details to several hundred specified members of top and middle management. This was to be done by a detailed, technical film-strip presentation, supplemented by conferences, manuals, charts, etc. And top management accepted this view. A leading management consulting firm was

[3] *See articles by Wm. Exton, Jr. in PERSONNEL, American Management Association: July,* 1949: *Economics for Employees; Jan.* 1950: *How to Talk to Joe Doakes (civilian); May,* 1950: *Semantics of Industrial Relations; Nov.* 1950: *Language and Reality.*

[4] *op. cit. p. 3; Part Two, Chapter* 1, *"Projected Training Aids," especially, pp.* 55-59.

also involved, and similarly saw the problem as calling for just such an intensive, technical exposition aimed at key personnel.

Thus, a management of proven — even extraordinary — capacity in its usual operational functions was about to attack a basic, far-reaching, and vital problem of internal communications in terms of a minor specific item, in a limited medium, addressed to a limited audience! Note that both management and consultants saw and recognized the *problem* and the *need*. It was their *judgment* about *target, media* and communication *techniques*, that went astray.

The very satisfactory solution of the problem that was finally evolved and put into effect provided an appealing and persuasive but very simple generalized presentation.[5] It was as much motivational as explanatory, giving the "background" and the "reasons". It included in the planned-for audience all the employees of the company, and many of the leading citizens of a small city. Where required, it was followed by more detailed treatments, for which it prepared the way.

This broad coverage was subsequently recognized by all as not only desirable, but actually essential to secure acceptance and cooperation down to the lowest levels of management. Introduced in this way, the new program was *accepted*. And once *accepted*, the presentation and explanation of relevant details presented no serious problem.

This case would not be especially noteworthy if it did not show a truly outstanding management also falling into the same error that seems to trap so many managements when they face communication problems beyond those of normal organizational functioning. Here are a few other examples, all involving outstandingly successful corporations.

B. A substantial processing company had a new division which was a junior competitor in a field dominated by a few larger companies. Customers included major industrial plants. Top management sought to develop a special form of sales promotion via prestige, by producing a motion picture intended to show the size of their new plant, the size of the parent company, etc. $25,000 was actually budgeted for the purpose, and bids were solicited from film producers.

However, management reluctantly and slowly changed its mind when it came to realize that:

a. The principal competitor had already produced a film.
b. That film had cost over $75,000, was not obsolete, and would probably cost $150,000 to duplicate.
c. A number of interviews with key officers of competed-for customers offered no indication that even that film had any considerable effect on this particular competitive situation.
d. The principal customers being sought had plants far larger than the one to be pictured; thus they were unlikely to be impressed by its size. Many of them were larger than the parent company.

Management's original guess at medium and techniques had almost become policy, and was unsound. But analysis of the situation, in this way, showed that the results management desired would probably *not* be attained by the means proposed by management; it showed also how these desired results *could* be attained, but by very different means. Management agreed to this analysis, and adopted the resulting recommendations, which have had very satisfactory results.

C. A manufacturing firm of moderate size that had produced a certain important item for the Air Force during World War II began production of a similar but substantially modified item after a 5-year interval. It was observed that former operators were producing at a satisfactory rate, but that trainees did not approach this rate even after several months of training and experience. The resulting deficiencies in delivery schedules, the high cost of production, and the failure of the incentive payment plan all presented a serious problem, and received the attention of top management. The situation was identified by management as a training problem. Management reacted by calling for "visualization" — for "pictures" or "posters" to implement and expedite training.

In this case, especially, management had in intensive fixation on the desirability of providing certain specific illustrations for training purposes, with the apparent conviction that this would solve the problem. Management rigidity as to details of media in this case constituted a real handicap to, and seriously delayed, proper evaluation and determination of causes and remedies.

It was readily demonstrated, however, after a little study, that there were a number of other factors involved; and that the training problem — to the extent that it affected production — would be better dealt with by less stereotyped and more flexible, suitable and effective means, involving the integration of several media.

D. A progressive company selling an "intangible" appointed a committee of officers to seek an ultimate competitive sales advantage through improved services. They were far-sighted enough to inaugurate, after study, a long-range program of survey and research in an important relevant area of customers' industrial relations. This program had hardly produced its first tentative results when top management began to bring pressure to bear upon the department heads involved to produce specific, tangible recommendations or results — immediately! Needless to state, the necessity of satisfying top management prejudiced the possible validity of the first, forced recommendations; and prevented or delayed the attainment of results of the desired long-range validity. Here, again, management's misled preoccupation with details and specifics of communication, and the all too common "cart-before-the-horse" attitude, were clearly displayed.

E. A certain company had virtually decided to run a series of weekly radio programs in its local community, as a sort of public and employee relations project. Having made this conditional decision, but without settling anything else, it immediately sought complete bids for actual production of the program. When one producer, invited to bid, proposed to survey the local scene and make recommendations as to type and scope of program before bidding on production, he was summarily told that it was desired to receive firm, complete bids on the whole program, including production. (This producer conscientiously refused to bid on actual production until a basic policy had been set for the program, including "character", type, scope, etc., as a basis for estimating cost of talent, supervision, organization, creative content, etc.)

In all such mistaken approaches, certain basic factors are common. In each case a demonstrably competent management

a. Recognized a problem.
b. Acknowledged it to be important, and a solution necessary.
c. Identified the need for effective

[5] *See UNDERSTANDING RADIO TALKS, J. TRENEMAN, in QUARTERLY JOURNAL OF SPEECH, April, 1951, for account of research conducted by the British Broadcasting Association, which supports the views of others that "recall of detail its proportionate to recall of major points".*

human communication in one form or another.

d. Evaluated this need as requiring outside, expert assistance. So far, so good! But also, in each of these cases:

e. Management decision went beyond policy; management itself attacked the problem too rigidly and narrowly. Their decisions included, without adequate consideration of relevant factors and alternatives, specific *means* (film, film strip, radio program, training illustrations, pamphlet, etc.), thus implicitly precluding other means.

It is all too generally true that American business management is prejudicing much of its communication procedures by specifying details such as media, prematurely; before the situation has been adequately or properly evaluated.

No one can logically question the ultimate desirability of reducing the general to the specific, when seeking the solution of a problem. But it is utterly illogical to be prematurely specific. And it is premature to be specific as to the *means*, *before* one can be reliably specific as to *content*, and other vital components.

It is also illogical to assume that a means capable of producing satisfactory results in *one* situation will necessarily do as well in a *different* situation. Yet the managements of American businesses, all too generally, are habitually guilty of acting on both of these illogical assumptions.

It is interesting to note that some organizations which have set up their own facilities and staffs for the purpose have also shown some flexibility in the application of media and techniques to problems of internal communication. Such companies as Esso Standard and Armstrong Cork have demonstrated substantial capacity for providing visual and other materials to suit communication needs. At least some of their heavily implemented presentations are excellent examples of letting the whole problem suggest the means. (As was suggested above, when the "means" is arbitrarily predesignated, it becomes simply another factor of the problem). But such companies have large staffs, with communication specialists available and often serving at rather high levels.

Analysis and evaluation of problems in communication are usually complex and highly involved. Devising effective programs for the solution of such problems, appropriate in cost and character, is a responsibility worthy of the same kind of specially qualified, experienced professional attention that good management grants to problems of engineering research, production, sales, etc.[6] Properly and logically, the media to be utilized are among the last items to be determined, and definitely should not be first (unless some extraordinary factor happens to require this).

A roughly suggestive order of priority for stages in attacking a problem of human communications in industry might run as follows (subject to modification in individual cases):

1. *Situation:* Evaluate what is wrong, and why, and where the communication failure or need exists.
2. *Need:* Determine the desired effect, and related elements such as hoped-for motivations, attitudes, etc.
3. *Content:* What is to be communicated: Policies? Facts? Interpretation of facts? Explanations? Insights? etc.
4. *Target:* Who is the intended or necessary audience? What are their relevant attitudes, frames of reference, vocabulary, assumptions, social, economic and other prejudices, mood, fears, expectations, experience, etc.
5. *Conditions:* How are the targets best reached? What are the problems here, and what is practical?
6. *Context:* The total situation: background, trends, dynamic factors, strength and weakness, agreement and disagreement, conflicting and common interests, etc.
7. *Dangers:* What are the touchy points? What are the possible dangers? Who is trying to make trouble? What can go wrong? Who can misunderstand, be suspicious, etc.
8. *Special Factors:* Policy, need for haste, timing, effect of concurrent developments, planning, etc.
9. *Budget:* Available funds, possible costs — what is it worth to do it well? What can it cost to fail? etc.
10. *Approach:* How to go about conveying effectively the required content to the indicated target, considering the context, dangers, special factors and budget, as well as situation and need, etc.
11. *Media:* Selection of means for planned use with planned targets; balancing and integration of means, etc. ("Means" may be any form or forms of communication whatever, from face-to-face conversation to the most elaborate, integrated programs).
12. *Language:* Special words and meanings; vocabulary levels, etc., of audience; cultural factors, etc.
13. *Technics:* Planning and production of materials, training of personnel to utilize them effectively, etc.
14. *Utilization, Application:* Inauguration, administration, supervision and checking of program, etc.

[6] *See Wm. Exton, Jr., PLANNING A COMMUNICATIONS PROGRAM, in Frontiers of Personnel Administration; Graduate School of Industrial Engineering; Columbia University,* 1951.

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Actually, all phases of the attack are interrelated, but it is obvious that a fixed decision on Phase 11 at the beginning is almost hopelessly premature. This would probably prejudice satisfactory development of what should be preceding phases. The management that starts by blithely assuming an answer to Phase 11 by deciding on a medium, makes an implicit decision on Phase 11 by calling in an outside "doctor" — one with an inevitable, predictable "prescription", since almost all such "doctors" specialize in and build their businesses around their own special media.

Effective, successful human communication is increasingly vital to management. Hasty and superficial assumptions as to *means*, and placing problems prematurely in the hands of specialists in certain media, prevent the logical, scientific development of successful answers to communication problems.

On the other hand, the application of management principles proven sound in other management activities can result in the development of effective, successful communication procedures. These appropriate and satisfactory programs of human communication are increasingly needed by all management, and are the hallmark of efficient organizations. ■

CIPM Reports . . .

CIOS ADDS TWO NEW COUNTRIES TO ITS RANKS

At a meeting of the Executive Committee of CIOS in Paris last June, two new national committees were welcomed to the growing group of organizations that have joined to further the understanding and practice of professional management througout the world. They are the All India Management Association and the Instituto Peruano de Administration de Empresas, from Peru. Their addition to the ranks of CIOS brings the number of national committees to twenty-nine.

ANNOUNCEMENT OF SECOND INTER-AMERICAN MANAGEMENT CONFERENCE

"Managers for Expanding Economies" will be the theme of the second Inter-American Management Conference which will be held in late September or early October of 1958. The Conference will be held under the auspices of the Pan American Council of CIOS (PACCIOS), whose members represent management leaders in the United States, Canada, Mexico, Brazil, Argentina, Peru, and Chile. CIPM, the U. S. member, will organize the conference, which will include both major addresses by U. S. and Latin American business leaders and discussions of specific aspects of management with which businessmen from all the Americas are concerned.

CIPM SENDS TEAM TO GREECE

In answer to a request made by the Federation of Greek Industries to the European Productivity Agency, CIPM recruited four American management representatives from the building, chemical, food processing, and mechanical engineering industries respectively to conduct a management program in Greece. This group marked CIPM's first management project in Greece.

Following brief visits to firms in the Athens area, the members of the American team held a week's seminar discussions with sixty leading industrialists in Athens. The interest in these seminars was such that upon an urgent request, the team held two special evening seminars at the end of their stay with local industrialists in Salonika. The balance of their program was devoted to making detailed surveys (in conjunction with a textile expert from the U. S. Government's Greek "mission" and a management consultant from Great Britain) of six representative Greek industries.

Examining the firms from the point of view of a dozen categories, from personnel, to plant layout, to work study to inventory control, the team members rated each firm, and at the same time, drew up a list of recommendations to solve some of the problems they encountered. Although each man surveyed a different industry, they all found similar management problems, the most pressing of which was the need for greater cooperation between business, government, management and labor. In the United States and in other highly industrialized countries, many government services and standard procedures of operation have been built up over the years, but in Greece, where industrialization is much newer, these procedures are in their infancy.

The team therefore concluded that the foremost need of the country was an improvement of the general industrial climate, and that this improvement must be carried out in a short enough time so that Greece can take her place in the European industrial community. ■

JANE DUSTAN
Editor
Council for International Progress in Management

IN MEMORIAM

It is with deepest regret that we announce the death, by heart attack on September 30, 1957, of former S.A.M. National President CHARLES COUCH JAMES, at his home, 39-08 211th Street, Bayside, Queens, New York. Born in Lincoln, Illinois, Mr. James began his business career as an examiner for the Southern Pacific Company and was a member of the management engineering firm of Stevenson, Jordan & Harrison, Inc., New York, at his death. A frequent lecturer at Columbia and New York Universities, Mr. James also authored many articles on management and accounting.

S.A.M. is a charter member of CIPM, the Council for International Progress in Management, the American non-profit, non-political organization devoted to the practice of scientific management on the international level. CIPM is in turn a member of the International Committee of Scientific Management (CIOS) which represents the organized management societies of twenty-six nations.

S. A. M. Conference PROCEEDINGS

12th Annual S.A.M.-A.S.M.E. MANAGEMENT ENGINEERING Conference		☐ Member: $3.50	☐ Non-member: $5.00
2nd Annual MEASUREMENT OF MANAGEMENT Conference		☐ Member: $3.50	☐ Non-member: $5.00
11th Annual S.A.M.-A.S.M.E. MANAGEMENT ENGINEERING Conference	(April 26-27, 1956)	☐ Member: $3.50	☐ Non-member: $5.00
1st Annual MEASUREMENT OF MANAGEMENT Conference	(November 3-4, 1955)	☐ Member: $3.50	☐ Non-member: $5.00
OPERATIONS RESEARCH Conference	(September 29-30, 1955)	☐ Member: $7.50	☐ Non-member: $10.00
GUARANTEED ANNUAL WAGE CONFERENCE	(March 10-11, 1955)	☐ Member: $5.00	☐ Non-member: $7.50
10th Anniversary TIME STUDY & METHODS Conference	(April 28-29, 1955)	☐ Member: $3.50	☐ Non-member: $5.00

Enclosed find my check ☐ (or) bill me ☐ for the sum of $..... in payment of the Conference Proceedings checked above.

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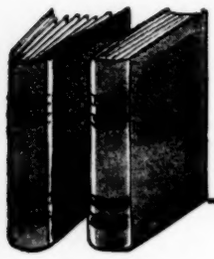
TYPICAL S.A.M. CHAPTER ACTIVITIES
DECEMBER 1957

CHAPTER	SUBJECT	SPEAKER	TITLE	PLACE	DATE
Alabama	"Growth of Industry in the South"	Dr. Frank Soday	Vice President, Chemstrand Corp., Decatur, Alabama		10
Binghamton, N. Y.	(No Meeting)				
Boston, Mass.	"Another Gold Strike—Paper Work"	Ben S. Graham	Director, Methods Research, The Standard Register Co., Dayton, Ohio		12
Bridgeport, Conn.	"The Business Side of the Army"	Frank H. Higgins	Assistant Secretary of the Army	Indian Room, Algonquin Club	3
	(Technical Session) "Where There Is A Will"	Film		Indian Room, Algonquin Club	10
Charlotte, N. C.	Ladies Night — Dance and Entertainment			Hotel Barringer	17
Central Pa.	"Statistical Quality Control"	D. G. Meckley	Chief Industrial Engineer, York Div., Borg Warner Corp.	Penn Belle Hotel, Bellefonte	12
Chicago	"How To Apply Operations Research To Your Business—Considerations and Limitations"	Ernest H. Weinwurm	DePaul University	Hardings Presidential Grill	3
Cleveland, Ohio	"Manager Job — Planning & Control	R. A. Geuder		Cleveland Engineering Society Building	9
Detroit, Mich.	"Recent Findings on Leadership and Management Research"	Dr. Stanley E. Seashore	Assistant Director, Institute for Social Research, Univ. of Michigan	Rockham Educational Memorial	17
	"The Next Ten Years in Industrial Relations"			Fort Selby Hotel	4
Greensboro, N. C.	"Advanced Planning & Scheduling for Production"	Mr. S. C. Donnelly	Assistant Manager, Western Electric Co., Burlington & Greensboro, N. C.	Starmount Country Club	10
Greenville, S. C.	"Security of Management Personnel"	George I. Chassey	Mutual Benefit Life Insurance Co., Newark, N. J.	Elks Club	16
Hartford, Conn.	Ladies Night			Bond Hotel	9
Hudson Valley, N. Y.	"First-Hand Impressions of Russian Industry"	Gerhart W. Heumann	Senior Engineer, Power Utilization Engineering, General Electric Co.	Hot Shoppe Restaurant, Albany, N. Y.	3
Kansas City, Mo.	"New Products Push Time Barrier"	Dr. John Sutherland	Product Research Manager, Butler Mfg. Co.	Elks Club	10
Knoxville, Tenn.	"Plant Safety" Panel Discussion	Dean Frank B. Ward — Moderator	Dean College of Business Administration, Univ. of Tenn., Knoxville, Tenn.	Deane Hill Country Club	10
Lancaster, Pa.	"Evaluation of Human Effort in Industrial Operations"	Lucian A. Brouha, M. D.	Physiologist, E. I. du Pont de Nemours Co., Wilmington, Delaware	Hotel Brunswick	10

TYPICAL S.A.M. CHAPTER ACTIVITIES
DECEMBER 1957

CHAPTER	SUBJECT	SPEAKER	TITLE	PLACE	DATE
Los Angeles	"What Management Consultants Advise on Executive Development"	Dakon Broadhead		Roger Young Auditorium	19
Milwaukee	Past Presidents' Annual "Surprise Meeting Night"			Engineer's Society Bldg.	12
Montreal, Canada	"The Use of Atomic Energy in Industry"	W. J. Bennett	President, Atomic Energy of Canada, Ltd.	Ritz-Carlton Hotel	11
Nashville, Tenn.	"Management's Responsibility to the Community"	E. C. Tompkins	Former Manager, Swift Packing Co., Past President of Chamber of Commerce, Nashville, Tenn.	Hermitage Hotel	12
New Haven, Conn.	"Ladies Nite"—"X-mas Program" Semi Annual President's Report			Green Dolphin, Cheshire, Conn.	12
N. E. Penna.	"An Economical Approach to Materials Handling"	W. R. Hilton	E. I. Du Pont, Wilmington, Delaware	Hotel Sterling, Wilkes-Barre, Penna.	2
North Alabama	"Management Problems With Case Histories"	Lyle D. Worrell	Pres. and General Manager Management Services, Inc.	Hotel Russel Erskine Huntsville, Ala.	11
N. New Jersey	"Memomotion Study"	Samuel Earle	Manager, Industrial Engineering Dept., Union Carbide & Carbide, N. Y.	Essex House, Newark, N. J.	5
	"Production of Screw Products" (Plant Visit)			Parker-Kalon, Clifton, N. J.	17
Pittsburgh, Pa.	Annual Christmas Party			Gateway Center	13
Portland, Oregon	"Rubber Products" (Meeting & Plant Visit)	Norman Johnson	Griffith Rubber Mills	Griffith Rubber Mills	11
Poughkeepsie, N. Y.	"People — Common Factor in Enterprise"	P. J. Ronvaux		Nelson House	10
Providence, R. I.	"Long Run Trends and Their Effect on Management	H. Thomas Hallowell, Jr.	President, Standard Pressed Steel Co., Jenkintown, Penna.	Providence Engineering Society Bldg.	5
Raritan Valley, Pa.	"Management's Responsibility to the Community" (Plant Visit)	W. V. George		Mercury Div., Ford Motor Co., Metuchen, N. J.	11
Reading, Pa.	"The Wife's Influence in the Function of Management"	Levan P. Smith	Principal, Reading High School	Iris Club, Wyomissing, Penna.	9
Twin City, Minn.	"Financial And Control Planning"			Coffman Memorial Union, U. of M.	12
W. No. Carolina	(Not Announced)	An official of the Bethlehem Steel Corp.		The Manor, Ashville	11
Wilmington, Del.	"Making Managers"	C. P. McCormick		Hotel Lord De La Warr	10
Worcester, Mass.	"Market Analysis as A Tool for Management"	William H. C. Lehmann	Manager, Public, Employee and Commercial Relations, International General Electric Co.	Worcester Airport	16



New Management Writing . . .

PRACTICAL AUTOMATION

By Lester R. Bittel, Morley G. Melden, and Robert S. Rice, 384 pages, McGraw-Hill Book Company, New York, 1957. Price: $7.50.

As its subtitle declares, this book is devoted to "Methods for Increasing Plant Productivity." If the reader has this as an objective, rather than a quarrel over semantics, he'll find much of value in *Practical Automation.*

To the automation and "feedback" purists, the authors have this to say: "We will not be concerned with semantics. Nor are we inclined to develop a historical background for automation. It is our purpose to give those in industrial management a comprehensive picture of automation as it is interpreted and practiced by American industry today. This, we believe, is what automation means to you, what automation can do to help you."

Further clarification of the authors' viewpoint is made by a statement in the preface by R. C. Archer, Vice President, Manufacturing, International Harvester Company. He says, "I am sure that you will find it difficult to determine whether the processing employed is 'mechanization' or 'automation.' The differences are of little interest to the Harvester Company. We are interested in both if they provide us with lower costs, higher quality, greater safety, or improved working conditions."

Do the authors live up to their promise of providing help in this kind of automation? By all means, yes. Relying heavily upon material already appearing in the pages of "FACTORY Management and Maintenance," the authors (all associate editors of that publication) have edited and analyzed a collection of 159 cases of successful automation in manufacturing plants.

The reader will find much useful information in the book's sections on (1) Automation Fundamentals, (2) Automation in Manufacturing, (3) Plant Engineering and Maintenance for Automation, and (4) Management of Automation. Name your down-to-earth problem — assembly, finishing, baking, inspecting, soldering, welding, handling materials, cutting, sawing, and all the rest — the authors have an example for you. List your organization now and engineering problems — power sources, instrumentation, date processing in manufacturing communication systems, foremen for technical jobs, figuring payoff for new machinery, number of machines per operator, machine interference — you'll find concrete examples of how some company is handling them.

If any serious fault is to be found with this book, it is that its orientation is entirely toward manufacturing — and to the practical, rather than the philosophical problems involved. But in the main, you should find *Practical Automation* a thoughtful, helpful addition to your management library.

By Millard C. Faught

President, The Faught Company, Inc., Management Consultants. Former staff member, Committee for Economic Development.

ENGINEERING ENROLLMENT IN THE UNITED STATES

Edited by Norman N. Barish. New York University Press. 1957. $7.50.

This volume presents the basic statistics on enrollment trends in engineering education in the United States and attempts some possible interpretations of these trends. As indicated in the Preface, attempts are made to answer such questions as: How rapidly have we been training engineers in the past? What is the rate of growth of engineering enrollment and graduations? What kinds of engineers are we training? How has the proliferation of curricula in professional engineering specialties affected the popularity of the various curricula? Is large-scale enrollment in graduate study in engineering here to stay? What is the attrition of engineering students? What is the outlook for engineering enrollment in the future—for engineering as a whole and for the various engineering specialties?

The studies reported in this volume help answer these questions. They also make possible a comparison of trends and enrollments in individual schools, provide some insight into engineering education in the USSR, and provide some basis for predicting future needs. One of the principal conclusions arrived at is that "the current shortage of engineering talent is critical with respect to engineers possessing a high degree of mathematical and basic science orientation and those with unusual analytic and design creativity."

Our engineering requirements in the future promise to be greater than at the present time. New technologies and new industries are developing at an accelerated pace. These developments in addition to normal population growth give us an expectancy of a greater number of engineers being needed in the future. There has been a steady increase in undergraduate engineering enrollment since 1921, with peak enrollments in 1947-1949. Then there was a steady drop for three years after which a steady increase is noted. The enrollment in 1955-56 was exceeded only by enrollments in the period 1946-49. Graduate enrollments have steadily increased since 1932 with the exception of the war years, 1940-1946.

There are twenty-three chapters in the book. Some chapters are devoted to enrollments and needs in specialized fields such as Aeronautical, Agricultural, Architectural, Ceramic, Chemical, Civil, Electrical, Engineering Science, Geological, Industrial, Mechanical, Metallurgical, Naval, Petroleum, Sanitary and Textile Engineering.

In most of these fields both for the present and the forseeable future, the demand exceeds the supply of trained engineers. In one field, textile engineering, it is unlikely that any large increase will be needed over the next decade, and in certain other areas the demand will depend in part on future developments.

The book is informative and authoritative. A copy should be in the hands of engineering deans and advisers and, of course, on the shelf of each industry in which engineers are employed. Students interested in this volume will also want to read a pamhlet prepared by the Government on Engineering Enrollments in 1957. It can be obtained from the U. S. Government Printing Office, Washington 25, D. C.

Charles E. Skinner

Department of Guidance
Southern Illinois University
Carbondale, Illinois

S. A. M. *Newsletter*

A gleaning of Summer-Fall Items of general interest to all S.A.M. Members, taken from recent National Office **Newsletters** sent to 850 Chapter and National Officers. Future **Newsletters** published in **Advanced Management** will cover only the current month.

HAROLD R. BIXLER
Executive Vice President of Society Operations

CHAPTER OBJECTIVES AND GOALS 1957-58

PRESIDENT LUNKEN recommends study of the following suggested goals intended to stimulate thought and discussion at the Chapter level in connection with the development of the 1957-58 program. These six subjects do not comprise a complete list but are among the more important on the basis that the operations of an organization can be made more effective when objectives and goals are clearly defined and understood by all concerned.

1. PURPOSES AND OBJECTIVES; DEVELOP IN WRITING A WRITTEN STATEMENT OF THE PURPOSES AND OBJECTIVES OF EACH CHAPTER. There are three fundamental and interrelated purposes of S.A.M. The first is Management Improvement; the second is Research in the Development of New Managerial Skills and Procedures and in their effective use; and the third is Community Service.

2. SET UP A CHAPTER ORGANIZATION PLAN AND DEVELOP A CHAPTER MANUAL. Important to the success of each Chapter is how it is organized. Such plan includes statement of objectives organization charts, position descriptions, managerial standards of performance and major policies. Such data in manual form would clarify responsibility and go a long way toward overcoming the problem of communicating vital information from one administration to another.

3. DECENTRALIZED CHAPTER MANAGEMENT TO MEET THE NEEDS AND DESIRES OF THE MEMBERSHIP. This can best be accomplished by the delegation of responsibility on a broad basis in accordance with the program needs to broaden the scope and effectiveness of each Chapter. It is the intention that each Chapter provide management development opportunities in the major areas of management. Through the learn-by-experience opportunity of participating in Chapter affairs.

4. INTEGRATE THE RESEARCH AND PROGRAMMING FUNCTIONS. The objective of the Chapter research activities should be to study and determine new and improved managerial techniques and procedures. If Chapter research is directed in the areas of greatest interest to the membership, then it follows that the programs which are developed will better answer the needs of the members. If our prime goal is to learn how to manage more effectively, then we must (a) determine the areas in which improvement is needed (b) study and determine ways of bringing about improvement, and finally (c) communicate this new knowledge and skill to others.

5. IMPROVE THE DEGREE OF SUPPORT FROM TOP LEVEL MANAGEMENT. The extent to which members of top management will actually participate in Society activities varies with the individual. The important thing is recognition by top management of our Society as a valuable development opportunity for managerial trainees. If this is accomplished, the problem of top management support—financial or otherwise—can be settled by each Chapter in terms of the needs of its membership.

6. SELL S.A.M. AS A MANAGEMENT DEVELOPMENT OPPORTUNITY. A thriving growing Chapter depends upon a sufficiently large membership body to support an adequate program to meet membership needs. As Chapter regular meeting programs, conferences, seminars, and other events are better planned and executed each year, it should be increasingly easy to interest new members in joining.

S.A.M. LEADERSHIP CONGRATULATED — All who participated in S.A.M.'s progress during the last fiscal year will be pleased with the following comments made by retiring National Board Chairman FRANK BRADSHAW. "I have just read through the last editions of the NEWSLETTER and have been delighted at the evidence of the progress on all sides. I notice that the momentum of last year has carried beyond the record of last year in the organization of new chapters, and, I gather, the preparation of service materials like the conference material, and so forth, have actually been put into circulation and use. Good work on the hands of all. It shows that the leadership of last year and this year are tops. My congratulations and good wishes to all concerned."

NEW DIMENSIONS - NEW HORIZONS — All members will be particularly interested in the new publication now being distributed to the Chapters containing Special Facts About S.A.M. Membership. It is called "New Dimensions-New Horizons". It has been designed in its present form primarily for the promotion of the sale of advertising in "Advanced Management" in line with recommendations by the Directors and others. Its content will also be most useful for membership promotion, institutional contacts, organization development, and otherwise. Among many things it shows that average readership per issue of "Advanced Management" is 51,648; and illustrates by facsimile reproductions the kind of requests for its use from business and industry, educational institutions, government and other sources both within this country and from abroad. It confirms the high position and title responsibility level of S.A.M. members, showing that 36% are either owner, partner, president, executive vice-president, general manager, vice president, secretary, treasurer or controller . . . that some 67% come from manufacturing industries . . . that almost 28% are concerned with administration as a major function . . . that there is a significant spread of representation among companies having 100 employees to 25,000 employees, and above. It also shows distribution of membership by state and country for both senior members and university members. All are urged to take full advantage of this publication, extra copies of which are readily available from the National Office.

CHAPTER PERFORMANCE AWARDS PLAN WINNERS ANNOUNCED—Heartiest congratulations from all to the top ten Chapters who are the winners in the Chapter Performance Awards competition for the period July 31, 1956-June 30, 1957: PROVIDENCE, KNOXVILLE, GREENVILLE, WASHINGTON, HUDSON VALLEY, MILWAUKEE, PITTSBURGH, READING, NORTHEASTERN PENNSYLVANIA, AND KANSAS CITY in that order. PROVIDENCE becomes winner of the Harrington Emerson Trophy presented annually to the Chapter which has most distinguished itself by the years record of activities and contributions of the advancement of management. KNOXVILLE is the winner of the Ordway Tead Bell and Gavel and Citation for the second best chapter performance for the award year, the same as last year. Chapter Performance Award Banners, Hamilton Citations, and other awards will be presented to the winners as a highlight of the Annual Fall Conference on Measurement of Management. S.A.M. National Awards for Measurement of Individual Performance will also be made during the Conference.

NEW CHAPTER IN ERIE PENNSYLVANIA BEING ORGANIZED—Plans are now being carried out for the organization of a new S.A.M. Chapter in Erie, Pennsylvania, with organization meetings already held and special promotional efforts being carried out during September. It is anticipated that an inauguration date for the new Chapter will be established soon and their program begun for the new season. Heading the organizing efforts are MR. DAN E. DUNNE, President, Penn-Union Electric Corporation and DR. JOHN WALDRON, Professor of Business Administration at Gannon College. Board Chairman JOHN B. JOYNT has actively participated in representing the S.A.M. National Officers.

XIITH INTERNATIONAL CONGRESS OF SCIENTIFIC MANAGEMENT GREAT SUCCESS—As reported by HAROLD SMIDDY, S.A.M.'s Official delegate to the Paris Congress, there were 1,260 delegates, plus 479 accompanying family members in attendance, from thirty-one nations, and representation from four international organizations. In addition more than 2,000 were present at the Inaugural Session. The United States delegation approximated nearly 200 people. Excellent contributory papers were presented on the theme of the Congress "Concrete Achievements of Enterprises and Other Bodies in the Field of Scientific Management—Future Prospects in the Light of Technical and Social Developments". An outstanding presentation was made by MR. ROBERT GARNER, President of the International Finance Corporation, who spoke at the General Assembly on "Management and Financial Success". He emphasized that development of the economy in all countries will depend heavily on the quality of Managing, and urged that the organized Management societies throughout the world cooperate in building the soundest possible base to permit the best industrialization in their respective countries. Copies of his talk will be sent Chapter Presidents and National Directors. The Wallace Clark Award, co-sponsored by S.A.M. among several other U.S. Management Societies, was presented to WALTER SCOTT of Australia

during the Congress. At one of the general sessions HAROLD SMIDDY in his address placed heavy emphasis on the need to look forward imaginatively and aggressively with respect to the advancement of management on a world level. He emphasized three fundamental principles: 1. "Civilization advances by increasing the number of important operations we can perform WITHOUT thinking about them." 2. "Democracy is faith in EXTRA-ordinary abilities in ordinary people." 3. "Liberty is the right to discipline oneself so as not to HAVE to be disciplined by others." An outstanding feature of the Congress was the attendance of nearly 100 people from Australia, where the XIIth International Management Congress will be held in 1960.

NEW S.A.M. ECONOMICS EDUCATIONAL PROGRAM UNDERWAY — Chapter Directors are urged to evaluate the advantages of the newly available S.A.M. Economics Course, in line with announcements recently sent each Chapter. The new course has been developed with the cooperation of the University of Chicago through its Industrial Relations Center. Objective is to provide basic economics for management people and raise the level of information and understanding about our economic system by providing the basic tools which will help them analyze the economy and its problems. The course is being offered by the Society to its Chapters on the following alternative arrangements: 1. The University of Chicago will furnish the instructor for S.A.M. Chapters located near Chicago. 2. The University has established contacts with some 35 other colleges, throughout the country which have staff personnel qualified to teach the course. These colleges can be counted on to furnish instructors for Chapters in their vicinity. 3. For Chapters not located near these schools the University of Chicago will help provide an instructor by A. Qualifying a person on the staff of a local college or university to teach the course. B. Training courses can be held at either the University or at centrally located places within a region to help qualify chapter representatives as instructors. Arrangements should be made with S.A.M. Educational and Conference Director, PATRICK J. REDDINGTON.

CIVIC AFFAIRS CASE STUDY SURVEY — Keen reception has been awarded the issuance of the periodic Case Studies from the files on Industry's Advisory Board For Hospitals as part of the S.A.M. National Civic Affairs Program, and an increasing number of requests for them are being received by Vice President GEORGE GOETTELMAN. He is now conducting a survey of their use and Chapters are requested to promptly respond to his recent communication for this purpose. The GEORGIA Chapter of S.A.M. is co-sponsoring a two-day program in Atlanta during September on "Public Relations In Action-An Institute for Hospital Administrators and Personnel". Other sponsors are the Georgia Hospital Association, Southeastern Hospital Conference, and the Lockheed Aircraft Management Club.

"ADVANCED MANAGEMENT" WINS MORE RECOGNITION—Members can be proud of the esteem in which "Advanced Management" is held as a leading management publication. A typical example is the following excerpt from letter recently received from the U. S. Department of Internal Revenue. "During September 1957 the TOP MANAGEMENT STAFF of the Internal Revenue Service will participate in a series of Executive Management Institutes, to be led by internationally known management authorities. In connection with this program we would like to acquaint our executives with selected periodicals containing articles of general management interest. We feel that "Advanced Management" is ideally suited for this purpose. During the Institutes we would like to furnish each participant a sample copy, or if sufficient copies cannot be obtained, we would like to have a few copies on display for their examination. Such assistance will add to the effectiveness of these Institutes".

TAX PAYERS AND PROFITS—Thanks to First Vice President, PHIL CARROLL for his suggestion that all members would be interested in the following advertisement in a leading business publication by Warner & Swassey, Cleveland Manufacturers of precision machinery. "YOU TAXPAYERS OUGHT TO GET AFTER THE COMPANY THAT DOESN'T MAKE A PROFIT". Some bureaucrats cry that some companies make too much profits. Save your breath. Competition takes care of that one. But everyone should get good and angry about the company that does not make a profit. That company does not pay its share of taxes and soon won't pay any and all, doesn't create its share of more and better jobs (soon no jobs at all) and fails to meet the typically American demand for better products and better values. A great labor leader once said "The worst enemy of the working man is the company that fails to operate at a profit". He could have said "The worst enemy of the working man and of everyone", because the company that fails to make a profit is adding to your taxes, endangering your job, cheating you of bargains". This would be an excellent subject for a Chapter meeting or seminar.

COST REDUCTION WORKSHOP—On December 10th, S.A.M. will co-sponsor with the New York Chapter, a full-day Cost Reduction Workshop to be held at the Hotel New Yorker. It will be personally conducted by PHIL CARROLL, S.A.M. National First Vice President, and one of the nation's foremost consultants in the time study field. S.A.M. members in the Northeastern area will be invited to attend. The Workshop, which will replace S.A.M.'s Annual Fall Operations Research Conference, now scheduled for February 6-7, is the first of the new year's series of Clinics, Conferences, and Workshops that local Chapters may elect to co-sponsor with the National.

DISTRIBUTION DATA GUIDE—Vice President, AL SEARES recommends that Chapters obtain the DISTRIBUTION DATA GUIDE published monthly by the Office of Distribution and the U. S. Department of Commerce. It contains excellent selected current listings and annotations of government and non-government materials for use by those interested in the marketing and distribution of our Nation's goods and services. Now available is their semi-annual Subject Index which contains over 1500 items comprising a highly valuable and current reference source in the field of marketing and distribution. They can be obtained through the Office of Distribution, U. S. Department of Commerce, Washington, D. C.

S.A.M. is again a co-sponsor of the 29th Annual Boston Conference on Distribution. This is an outstanding national forum for problems of distribution and includes top subjects and speakers. Many distinguished authorities will discuss the major aspects of distribution and its effectiveness in the light of present and future trends. Executives from all parts of the U. S. and from abroad will attend. Details available from the Greater Boston Chamber of Commerce.

BETTER GOVERNMENT BEGINS WITH YOU—S.A.M. members are in many ways concerned with better local, state, and federal government and will find of value the following recommendations by the Chamber of Commerce of the United States. "One way that you can help get better national government is to assist your congressmen and get them to help you. Learn what laws are in the making, get the facts, study the issues, and when you've made up your mind tell your representatives and senators what you think. And when you write do it right. Here are ten good tips: 1. Address them properly, don't confuse a senator with a representative 2. Be local, tell them how a national question effects your business, your industry, your community 3. Be businesslike, brief but not terse 4. Be specific, if you are FOR something, say so and tell why, if NOT, don't hedge but tell why not 5. Be polite, members of Congress deserve respectful treatment 6. Be reasonable, ask only practical actions 7. Be yourself, use your own letterhead and letter style 8. Request results, your man is elected to do something 9. Ask for an answer. You told him where you stand, now ask him where he stands 10. Be appreciative, thank him for good action, compliment his better speeches, and praise his staff too." As Abraham Lincoln said "With public opinion nothing can fail. Without it, nothing can succeed".

FOREIGN POSITIONS OPEN WITH THE UNITED NATIONS — Members and acquaintances interested in acquiring experience in foreign countries will find of interest a relatively large number of positions available for service with the United Nations Technical Assistance Program. They include the fields of economics, industrial development and productivity, trade promotion and marketing, finance, statistics, transport and communications, community development and populations, and social services. Contact should be made with the Technical Assistance Recruitment Services, United Nations, New York 17, New York. Other such information can be obtained through the Council for International Progress in Management, of which S.A.M. is a co-sponsor, 350 Madison Avenue, New York 17, New York, Colonel PHILIP GAREY, Executive Director.

PERSONNEL PUBLICATIONS AVAILABLE — As an aid in Chapter meetings and seminars on personnel and industrial relations the following publications can now be obtained in quantity for such distribution, as well as use within the member companies. Write U. S. Government Printing Office, Superintendent of Documents, Washington 25, D. C. for: 1. Occupational Information for Counselors; 2. Employment Interviewing; 3. Selecting Supervisors. An excellent guide on "Principles and Practices of College Recruiting" has recently been published by the Chamber of Commerce of the United States, particularly for use through management and professional associations. It has been designed to offset some questionable practices which have occurred without regard to the employers ultimate best interests and of those of the students, from whom will come much of the country's future management and professional leadership. Write, JOHN R. MILES, Manager, Education Department, C. C. U. S., 1615 8th Street, N. W., Washington 6, D. C., for copies.

NATIONAL ACTIVITIES AND POLICIES STUDY COMMITTEE IN ACTION—In line with recommendations from the Chapters, a new S.A.M. National Activities and Policies Study Committee is now at work to extend the basic research done by the Finance and Executives Committees for budget and financial considerations of the last year, resulting in the dues increase for the fiscal year beginning July 1st. The major objectives of the Committee are a review of the National Organization to determine the most effective program in relation to the desires of the Chapters, and the goals of the Society. Suggestions from members are cordially invited and questionnaires are now being planned for this purpose. They will include analysis of present National Services, National Office Operations, and Regional Activities and Functions. Members of the Committee are GEORGE A. SIEVERS, Chairman, Milwaukee J. GORDON CAMPBELL, Mon-

treal; LOUIS C. CHASE, Providence; FREDERICK D. JUSTIN, Philadelphia; E. LESLIE PRIESTMAN, Boston; EUGENE R. RUARK, Indianapolis; HARRIS SAUNDERS, Birmingham; DAVID N. WISE, Pittsburgh, and WILLIAM R. WILLARD, San Francisco.

NEW HAWAII CHAPTER COMPLETED—The HAWAII CHAPTER has now become a reality after many months of planning and development, highlighted by organizing assistance provided by Vice President, PHIL CARROLL, during a trip there. The nucleus of this group is the Industrial Engineering Society of Hawaii which has been operating as a local independent organization for several years, and includes broad management representation of industry and business in Hawaii. Forty-seven charter members have been enrolled and the charter will be presented by Vice President, GEORGE GOETTLEMAN at the inauguration and annual meeting next November. Officers of the New Chapter are: President, E. R. KLEMM, Libby, McNeil & Libby, Honolulu; Vice President, J. LEE, Waialua Agric. Co., Waialua; Secretary, A. SCOTT, Ewa Plantation Co., Ewa; Treasurer, E. J. WALLACE, U. S. Military Air Transport Service, Oahu; Director, R. HAGSTROM, C. Brewer & Co., Honolulu; Director, S. TANAKA, Waialua Agric. Co., Waialua.

ANOTHER RESEARCH PUBLICATION AVAILABLE — The second in the series of Modern Management Treatises originating from the Research Division of the Society has now been published and is available to members and the public. Its subject is "Suggestion Plan Guide", and is based upon research activities of the READING CHAPTER of the Society, under the leadership of JOHN W. WARREN, DANIEL J. McCULLOUGH, and LEWIS C. SCHEFFEY, JR., representing their Research Committee. Press copies of the new publication have been sent to some 280 organizations and are available to the public at $1.50 per copy. The theme of the guide is a manualization of the most successful policies and procedures used by American Industry in installing and administering an employee suggestion system. It refers to basic standards to insure that the newly installed, or re-modeled suggestion system, will be properly organized, sincerely used and controlled. Its planned use will prove helpful in the operation of this important function in management.

NEW SAN DIEGO CHAPTER INAUGURATED—Further S.A.M. expansion in the Western Area was indicated in the inauguration of the new SAN DIEGO CALIFORNIA CHAPTER at the Kona Kai Club, Shelter Island. Excellent business and personnel representation is included in the group of 67 original charter members. This was developed through an Organizing Advisory Committee designed to give broad direction to the Chapter, comprised of the following individuals; HENRY NUNN, former President of the Nunn-Bush Shoe Company; CHARLES LAMDEN, Chairman of the Business Administration Division of San Diego State College; FRANCES TORBERT, Consultant and Chairman of the Department of Management, San Diego State College; ROBERT BIRON, Vice President, Convair and ELMER WOHL Executive Assistant to the President, Convair. At the inauguration meeting, W. R. WILARD, Director of Organization Planning, Columbia-Geneva Division of U. S. Steel Corporation and National Director, SAN FRANCISCO CHAPTER spoke on "More Effective Management Through Organization Planning". Executive Vice President HAROLD R. BIXLER, presented the charter and addressed the group on "S.A.M. and The New Role of Management in American Business and Industry". The officers of the Chapter are President, MILTON F. FILLIUS, Jr., Vice President, National Steel and Shipbuilding Corp.; Vice President Membership, FRANCES TORBERT; Vice President Program, C. L. TERREL, International Consultants Inc.; Secretary, DOROTHY FINLEY, Union, Title, Insurance and Trust Co.; Treasurer, JAMES F. ANDERSON, and National Director ELMER P. WOHL. Great credit is due ELMER WOHL and the others for their leadership during the organizing stages, which has insured a membership broad in scope and includes people from every type of industry and from various levels of management within their area of the country.

INTERNATIONAL MANAGEMENT AWARDS—S.A.M. participated in the First Annual Awards Meeting sponsored by the Council For International Progress In Management and the International University of Social Studies in Rome, which was held in New York City. Recipients were HAROLD SMIDDY, Vice President, General Electric Co., and leading S.A.M. member. A. M. LEDERER, Chairman of C.I.P.M., and PETER DRUCKER internationally known management consultant and author. The International University of Social Studies represents some 4,000 students from 26 countries, among them 200 from Latin America, Asia and Africa, and 16 from the United States. It has 102 professors, as well as visiting professors from the United States and special lectures from nine other countries.

FIRST S.A.M. PUBLICATION IN SPANISH—New Chapter development in Spanish speaking countries will be materially aided by S.A.M.'s first publication in Spanish which has just been completed with the official sponsorship of the Chamber of Commerce of Maracaibo, Venezuela. Breaking the language barrier there is part of our plan for Chapter development in Venezuela, with enrollments now taking place in Maracaibo, under the leadership of MR. E. STANLEY PETERS, of Price Waterhouse & Co. Copies of this publication are being sent to other prospective Chapter locations in Europe, South America and Mexico.

NEW CHAPTER ORGANIZED IN POUGHKEEPSIE, NEW YORK—Organizing efforts for S.A.M. development in the Poughkeepsie, New York area were climaxed with the inauguration of the new POUGHKEEPSIE CHAPTER, originally sponsored by S.A.M. National Secretary, DAUSE L. BIBBY. The new Chapter begins operations with 60 charter members comprising a significant representation in business and industry, as well as managerial level of activity in the area. National President, John B. Joynt gave the principle address on "Managerial Development and Executive Efficiency". Executive Vice President, HAROLD R. BIXLER, presented the Charter and discussed the relationship of S.A.M. and the New role of Management in American Business and industry. Officers of the POUGHKEEPSIE CHAPTER are: President, DONALD B. MILLER, Manager, Engineering Administration, IBM; 1st Vice President, JOHN G. HART, Ass't. to President, Daystrom; 2nd Vice President, DR. RICHARD L. SAWYER, Ass't. Mar. of Research, Texaco Corp.; Secretary, JOSEPH A. RICE, Ass't. to General Manager, IBM; Treasurer, RICHARD V. SMITH, Planning Representative, IBM; National Director, CLARENCE V. BROWN, Ass't. Manager, Nabisco Co.; Director, JAMES F. BREHM, President, Daystrom Corp.; Director, ALFRED J. JENNINGS, Plant Manager, Du Pont; Director, ARTHUR W. TRAVIS, V. P., First National Bank. The new Chapter has already adopted Constitution and By-Laws, with definite plans for program for the new season.

S.A.M. TRADE MARKS—The identity of the Society has been further protected in various phases through completion of the following trade mark registrations now owned by S.A.M., recently obtained with legal assistance; 1. Registration covering "Advanced Management" as a monthly publication, 2. Trade mark covering the S.A.M. seal as a service mark, 3. Trade mark covering the letters S.A.M. as a service mark, 4. Public notification of the registered trade marks to be shown in our official publication "Advanced Management" as a standard symbol and paragraph commentary on the Table of Contents page. Members are requested to advise the National Office in case they should be informed about any apparent encroachments upon these S.A.M. Trade marks.

MEMBERSHIP AFFILIATION—THE INSTITUTE OF RADIO ENGINEERS—Arrangements have been recently completed between I.R.E. and S.A.M. which provide that S.A.M. members in good standing will be accepted as affiliates of the various technical groups of the Institute of Radio Engineers, upon recognition of the professional qualifications confirmed in S.A.M. membership. Affiliates of these Professional Groups are not members of I.R.E., but will be, partners in the activities of the respective Group, including its meetings, and will receive its publications. The Institute is subdivided in its membership, on the basis of areas of technical interest, into a number of separate Professional Groups. These Groups are largely self-governing, holding meetings and edit their own publications. This arrangement is part of S.A.M.'s policy of cooperation with other professional organizations, to promote more active exchange of ideas between individuals working in related fields, with the resulting combination of diverse skills and experience opening new avenues of exploration for mutual benefit. Members interested should contact MR. JOHN T. HENDERSON, President, The Institute of Radio Engineers, Inc., 1 East 79 Street, New York 21, N. Y.

NEW S.A.M. CONFERENCE AND SPEAKERS MANUAL—Warm reception has been given the Society's two new conference manuals, both within the Society and by outside organizations. The "Conference Manual" includes new material, and also represents several previous individual publications now condensed under the following table of contents; Why A Conference; Developing The Program; It Takes Planning And Teamwork; Securing Speakers; Promotion And Publicity; Conference Arrangements; Registration; Starting Meetings On Time; Sample Organization Chart; Finance Planning; Choosing, Corralling, And Caring For Speakers; Conference Proceedings; End of Meeting Reaction Slip; Conference Evaluation Questionnaire; and Sample Conference Program. The second, on "Programs and Speakers", lists typical S.A.M. Chapter meetings and seminars and contains reference to S.A.M. program aids such as Programming, Speakers, Chapter Program Library, and other assistance. It lists over 100 seminars conducted by the Chapters on a variety of management development subjects and many typical monthly listings of the S.A.M. Chapters showing subject, speaker, title and place, all of which are suggestive at this time of year for program planning for the new season. Copies of both these publications are available in quantity for distribution to Chapter officers and otherwise.

PACKAGED CONFERENCES FOR CHAPTERS—Plans are proceeding for the development of Packaged Conferences and Working Seminars in view of the increasing interest by Chapters as part of the National Program. A number are already being conducted by the Chapters on such subjects as Cost Controls, Time Study and Methods, and others listed in our new manual on programs and seminars. Developments are under way for others such as Small Business and Material Handling. These clinics and seminars not only serve direct functional purposes for the Chapter, but provide considerable income for local use, with a minimum of planning and preparation. For example, recent Chapter clinics on Cost Controls have provided a net dollar

profit to the respective Chapters in the amounts of $1,355.33, $1,199.68, $633.18 and $591.89. For inspiring details write EDMOND J. LINDSAY, GREENVILLE South Carolina Chapter about their extremely successful Time Study Clinic, including session on "Supervisors Can Control Costs". Additional benefits include a good return of new memberships from such local demonstrations of S.A.M. activities.

NEW MOHAWK VALLEY CHAPTER INAUGURATED—S.A.M.'s eighth new Chapter of the year was welcomed into the Society on the inauguration at Utica, New York of the MOHAWK VALLEY Chapter. 53 charter members were enrolled, representing a significant cross section of business and industry in the area, and in level of management responsibility of the individual members. The organizing efforts were materially aided by Vice President, PHIL CARROLL, who delivered the principle address at the inauguration on "Cost Reduction And Management". Executive Vice President, HAROLD R. BIXLER presented the charter and discussed the development of professional management and its relationship to S.A.M. in American business and industry. Officers of the new Chapter are LaROY M. LALLY, Chief Industrial Engineer, Utica Drop Forge and Tool Division, Kelsy Hayes Co.; Vice President, AUBREY W. DETWILER, Plant Manager, Remington Rand Division, Sperry Rand Corp.; Secretary, LEONARD C. SCHWARTZ. Mohawk Valley Technical Institute, Director of Evening Division; Treasurer, GEORGE F. ODETTE, Assistant Works Accountant, Chicago Atlantic Tool Company; National Director, GEORGE J. BORABABY, Controller, Mele Manufacturing Company, Inc.; Directors, ROBERT L. GRIFFITHS, Chief Manpower and Organization Division, Rome Air Force Depot, Rome, New York; OLIVER H. WINN, Manager Engineering, General Electric Co.; and HERBERT WACHSMANN, Professor, Industrial Management Utica College of Syracuse University.

NEW RESPONSIBILITIES FOR CHAPTER CONFERENCES AND SEMINARS—Reflecting the increase services to Chapters for development of conference and seminar activities during 1957-58 PRESIDENT LUNKEN has included the following in his new assignments 1. 1st Vice President, PHIL CARROLL will study and prepare recommendations for improvements of National level Conferences. These are conferences planned and executed by the National Office. His studies will be concerned with the number and types of conferences being held, the places where they are given, and related subjects. 2. 2nd Vice President, MAURICE R. BACHLOTTE, will study and prepare recommendations for the improvement in regard to the development of Packaged Seminars. These are being developed by the National Office, to be made available to Chapters or Regions. This will include greater publicity for the Chapters on those packaged seminars which are already organized, and can be made available through the National Office, as well as the development of additional packaged seminars and conferences. Policies to be developed will concern responsibilities, underwriting costs, apportionment of net income, and related factors. 3. Vice President LESTER F. ZERFOSS, in charge of Chapter conferences and seminar development will give further study to ways and means of assisting Chapters and Regions in developing their own conferences and seminars which are planned and executed at the local level.

CIVIC AFFAIRS PROGRAM SHOWS GREAT GAINS—Under the leadership of Vice President GOETTLEMAN, the second year of the planned Civic Affairs Program has shown remarkable progress, with Hospital Assistance representing the greater portion of the activities by Chapters, including 22 Advisory Boards already established, and 45 in the planning stage. Over 750 inquiries received from hospitals; 5,500 copies of the brochure and 7,500 reprints of articles have been furnished to interested people. 750 copies of Case Studies are now being distributed monthly, with additional new brochures and articles in process. Considerations are under way for the annual S.A.M. Hospital Service and Civic Service Awards. Recent highlight is the important contribution by the WASHINGTON CHAPTER in its advisory aid to the United Community Services, a central group for planning and coordinating health, recreational and welfare facilities in the District of Columbia. The S.A.M. national program continues to receive publicity and recognition through official medical and hospital publications, such as the June issue of "RN", the National Journal for Nurses.

OAKLAND—EAST BAY NEW CHAPTER SHAPING UP—Progress for S.A.M. continues on the West Coast. A new Chapter was inaugurated in September in the East Bay Area of San Francisco, with preliminary organizational meetings held during April and June. Particular credit is due the SAN FRANCISCO CHAPTER for its assistance in sponsorship of the new group in the nearby area. Their program for the new year is already in operation, including several special interest seminars. The new officers are BRUCE G. McCAULEY, Organizing Chairman; STEPHEN G. STEWART, Secretary; EDWIN R. PARKS, Treasurer; TED B. LYMAN, Chairman, Program Committee; and EUGENE L. DESSERT, Chairman, Membership Committee. Dinner speaker, JOSEPH P. WILLIAMS, talked on "Today's Professional Managers." S.A.M. National Executive V. P. HAROLD R. BIXLER presented the Chapter Charter.

EIGHT NEW S.A.M. CHAPTERS INAUGURATED THIS YEAR—The new Chapter score for this year is eight inaugurations vs. five for last year. In the order of their establishment they are WESTCHESTER COUNTY, New York; NORTHLAND, (MARINETTE) Wisconsin; ORANGE COAST, California; BERGEN COUNTY, New Jersey; HAWAII (HONOLULU); SAN DIEGO, California; POUGHKEEPSIE, New York, and MOHAWK VALLEY, (UTICA) New York. Vice President PHIL CARROLL, says "We must go after new Chapters. This seems to be the most imperative in our larger cities. People are not willing to buck traffic and search for parking places. When it is too inconvenient to come to meetings, they will go home instead. This suggests to me that we need new Chapters wherever time-miles to present Chapters are greater than values gained from our present Chapter meetings. Let's look more to advancing management than to maintaining our own jurisdictional bailey-wicks. Then more of us will be working to develop new Chapters".

TRIBUTE TO FRANK BRADSHAW—As his last official act as Chairman of the Board, FRANK BRADSHAW, at the last Directors meeting restated his philosophy of the objectives of the Society (with his usual eloquence), indicating some of the basic needs for the future. In receiving the gavel as the new Chairman of the Board, JACK JOYNT paid tribute to the outstanding wisdom and leadership of FRANK BRADSHAW over a period of years. He quoted the following excerpts from a statement made by BRUNO MOSKI on behalf of the PHILADELPHIA CHAPTER as representing the warm feelings of esteem and admiration which all have had for FRANK BRADSHAW "We wish to extend our sincere appreciation for the inspirational leadership you have provided during the past years. Despite the differences of opinion which sometimes have arisen among the National Board we could always rely upon your penetrating insight and sound decision. We frequently quote one of the statements you made sometime ago. Participation in S.A.M. is learning at its maximum. As you leave the formal organization of S.A.M. our best wishes for your continued health, personal happiness and business success will be with you always." By rising vote, with prolonged applause, the Board of Directors unanimously confirmed this sentiment on behalf of all of the members.

NATIONAL OFFICE MAILINGS — All 850 Chapter and National Officers receiving the Newsletter are reminded to broadcast the information it contains, and to check their particular interests in the following combined mailings sent each Chapter President and National Director since the last listings. New Chapter Officers should obtain such more recent material from their predecessors in order to carry out their functional responsibilities; Minutes National Directors Meetings, National Conferences Letter from Vice President PHIL CARROLL; Nominations request for S.A.M. Advisory Council and S.A.M. Education Commission from Board Chairman, FRANK BRADSHAW; Standard Data Sheets for Fall Award Nomination for Taylor Key, Human Relations Award, and Industrial Incentives Award; Statement of Income and Expenses; Budget for Research and Development Division; Hospital Aid Case Study No. 10-02-1 on Management-Elevator Service; New Manual—Programs and Speakers (Typical S.A.M. Chapter Meetings and Seminars); New S.A.M. Conference Manual; Proceedings—1956 Operations Research Conference; Chapter Programming Recommendations,—Chapter Seminar Questionnaire—Vice President Zerfoss; Newsletter No. 62; Hospital Aid Case Study No. 14-01-1; Public Relations—Positive Press Relations; Dues Increase "SAM O GRAM" from President JOYNT and Vice President CARROLL; Chapter Performance Award Report; Questionnaire Sheet—Chapter Officers 1957-8; Minutes April 27 National Directors Meeting; Chapter Visits By National Officers and Regional Vice Presidents; Industrial Relations Pamphlet—"Ask Any Fair Minded Man", Membership Count by Grades and Chapters as at June 1; National Budget 1957-8; Hospital Aid Case Study No. 02-02-1; Building Program —Brainstorming Sections; Basic Library Reference Sources for Business Use. Material Handling reports 103-104 on Lift Trucks; new membership application forms.

S.A.M. ADVISORY COUNCIL AND S.A.M. EDUCATION COMMISSION — We are now proceeding to implement the formation of the new S.A.M. National Advisory Council and the S.A.M. Education Commission under the leadership of FRANK BRADSHAW, who is retiring as Chairman of the Board. He warmly invites the Chapters to submit nominations of individuals for these two important activities in line with the following basic objectives. The Advisory Council will consist of not less than three nor more than seven "Management Statesmen", with a record of leadership, pioneering and devotion to the scientific management movement. The function of the Committee shall be to guide and assist the officers of the Society in starting long range plans and goals in terms of the Society's role in American life and economy, and interpreting the Society's significant place potentiality to the public. The Education Commission will be composed to seven to nine members. Their major function will be to obtain data for the formulation of recommendations to educational authorities as to what is needed to bring the education system, both in quality and quantity, up to the demands of the management profession in this country. Nominations are requested to be submitted to the National Office not later than September 16th.

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